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UK electronics: How a sector fell from favour, Page 12

World news

Moscow warns on Geneva talks

Soviet leader Mikhail Gorbachev said the U.S. was using the disarmament talks in Geneva as camouflage for a military build-up and if this continued the Soviet Union would re-evaluate its position on the talks.

Diplomats in Moscow thought it unlikely, however, that the Soviet Union would walk out of the discussions.

The Soviet leader also went out of his way to hold out an olive branch to China, saying Moscow was moving energetically to end "the negative period in Soviet-Chinese relations."

Iraq, Libya break

Iraq formally severed diplomatic relations with Libya following last week's signing of a "strategic alliance" between Libya and Baghdad's Gulf war enemy Iran. Page 3

Bush in Brussels

U.S. Vice-President George Bush arrived for talks with Belgian leaders on fighting terrorism only a few hours after the latest urban guerrilla bomb was defused in Brussels.

Spokesman fined

Former West German government spokesman Peter Boenisch bas been fined more than DM 1m ($325,732) for tax evasion. The fine concerns tax evaded on consultancy fees paid to him by the Daimler Benz company.

HK Bill passed

Hong Kong's council defied local opposition by passing a Bill for more democracy and autonomy before the territory reverts to China in 1977. Page 3

IRA suspects held

British police arrested four more suspects in an operation aimed at thwarting a suspected plot by Irish Republican Army guerrillas to bomb seaside resorts.

Communist thaw

China and the Soviet Union agreed to re-establish their consulates in Shangbai and Leningrad in the latest sign of a thaw in relations between the two estranged Communist powers.

Norway strike move

A nearly two-week strike on 14 of Norway's offshore drilling rigs is expected to be called off today as a result of a call for enforced arbitration by Labour Minister Arne Rattedal.

Alberta resignation

Peter Lougheed, head of Alberta's Progressive Conservative Party and one of Canada's most powerful provincial leaders, announced his resignation after 14 years in office.

Mine blast kills one

One miner was killed and 49 were injured in an explosion in a coal mine near Herten, West Germany.

Zaire defence boost

Zaire will more than double the size of its armed forces to 100,000 to improve its defence. Zaire's leader Mobutu Sese Seko said he would not let neighbouring countries destabilise his government after a fresh rebel incursion into the mineral-rich Shaba province.

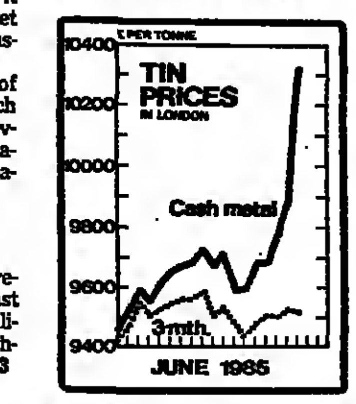
Postman killed

Suspected Basque separatist guerrillas shot dead a postal worker in the northern Spanish city of Vitoria. In the Alcala top security jail near Madrid a coovicted Basque guerrilla was found hanged in the showers in what appeared to have been a suicide.

Business summary

London suspends trading of tin

TIN TRADING: was suspended by the London Metal Exchange after a day of confusion, allegations of manipulations, and a spectacular jump of £435 in the price of cash tin to a record level of £10,325 a tonne. Page 14; Commodities, Page 36



WALL STREET: The Dow Jones industrial average closed up 0.78 at 1,323.81. Page 44

TOKYO share prices continued to advance, lifting the Nikkei-Dow Jones market average to its second consecutive record with a 73.27 rise to 12,910.29. Page 44

LONDON trading remained depressed under the influence of a further decline in the electronic sector. The FT Ordinary index dropped 15.6 to 936.50. Gilts were mixed and price movements small. Page 44

FRANKFURT stock market fell heavily from a record level under sustained profit taking. The Commerzbank index closed 60.30 lower at 1,372.90. Page 44

DOLLAR was weaker in London falling to DM 3.043 (DM 3.07), FFr 9.2725 (FFr 9.3525), SwFr 2.5325 (SwFr 2.57) and Y248.4 (Y248.95). On Bank of England figures the dollar's index fell to 144.3 from 145.1. Page 37

STERLING gained 1.3 cents against the dollar in London to finish at $1.2985. It also rose to DM 3.955 (DM 3.9425), FFr 12.05 (FFr 12.0) and Y322.75 (Y319.5) but eased to SwFr 3.295 (SwFr 3.3). The pound's exchange rate index rose 0.3 to 80.6. Page 37

GOLD: In New York the Comex August settlement was $317.8. It rose $0.75 on the London bullion market to $317.25 and $1.75 in Zurich, also to $317.25. Page 36

FERRANTI, UK electronics group, reported record pre-tax profits of £46m ($58.8m) for 1984-85, up nearly 19 per cent. Lex, Page 14; Details, Page 18

WESTLAND, the troubled UK helicopter manufacturer: Sir Basil Blackwell, the chairman, resigned in a surprise move he said was intended to restore credibility of the company. Page 4

ROYAL INSURANCE of the UK is paying £94m for the unit-linked life company Lloyd's Life Assurance, put up for sale by the Lloyd's insurance market. Page 4

ORIFLAME, Belgian-based direct selling cosmetics group, is paying $16.7m for control of Guldfynd, Sweden's largest jewellery retail chain. Page 17

MICHELIN, the privately-held French tyre manufacturer, is returning to the capital markets next week after a six-year absence with a Euro-franc convertible bond of up to FFr 500m. Page 15

AIR FRANCE is to have its capital increased by 13.6 per cent to FFr 1.97bn ($208m) to help to meet the costs of aircraft renewals.

TECHNIP, leading French engineering and industrial groups which came close to bankruptcy last year, is making a further 25 per cent cut in its workforce. Page 17

SEMICONDUCTOR slump: Gould, Illinois-based electronic systems and defence group is taking a $150m charge to cover cuts in its semiconductor operations, and Intel is reducing its staff by 950. Page 15

France expected to put squeeze on bank lending

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government is expected to announce shortly tough measures to squeeze bank lending in an effort to check an unexpected surge in the money supply.

Among the steps that bankers consider possible are; a tighter rationing of credit in non-priority areas; an increase in the statutory reserves that banks must lodge with the central bank; a modest temporary rise in interest rates.

At the same time banks are likely to have less access to long-term capital through the bond market, which, as a result, will limit their capacity to increase lending.

M Michel Camdessus, Governor of the Bank of France, said yesterday that decisions would be taken "shortly." Finance Ministry officials played down an increase in interest rates as running counter to the thrust of government policy which is to encourage the increase in investment. But they did not entirely exclude it.

M Camdessus is believed to have discussed the measures with M Pierre Bérégovoy, Finance Minister, while the two were in Tokyo for the Group of Ten meeting. Unusually in the relationship between the two men, it is M Bérégovoy who favours tougher policies. He returned to Paris yesterday.

The minister's calculation is that in the run-up to the general elections in March any sign that the Government was being lax over monetary control could add to the pressure on the franc.

The same calculation lies behind the tough budget which M Bérégovoy is drawing up for 1986 and which provides for the growth in expenditure to be held below the growth in nominal GNP – reflecting one of the strongest clampdowns on public spending since the Second World War.

Because of the delay in publishing money figures in France, the most recent monetary statistics to be issued were for February. These showed that the growth of M2 – transaction balances – had risen over the 12 previous months by 8.2 per cent, compared with a target range for the year of 4–6 per cent. But M Camdessus confirmed yesterday that the expansion of M2 was "slightly above" the target range.

Among factors that have swollen the growth in M2 are an increased financing of the Budget deficit through monetary creation in the early months of the year and a higher rate of lending for housing and medium-sized industry.

The Government decided to take the risk at the beginning of the year of financing more of the estimated FFr 140bn ($14.9bn) by selling short-term Treasury bills to the banking system so as to provide greater access for the banks to the bond market, thus enabling them to strengthen their capital base. This policy is now being reversed, with priority in the bond market going to government issues to help slow growth in money supplies.

The most recent state bond – an issue of FFr 20bn carrying a 10 per cent coupon in its first tranche – met a poor receptioo from the market, however, which judged the long-term rate insufficiently high at a time when short-term rates are still sticking at more than 10 per cent.

In applying a new credit squeeze, the Government's aim will be to avoid measures which nip in the bud the investment recovery it has been encouraging. In this sense the expansion of both loans to housing and small industry are in line with government policy of encouraging fresh investment in these sectors.

Lawson tells industry to curb borrowing, wages

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

MR NIGEL LAWSON, Britain's Chancellor of the Exchequer, yesterday delivered a sharp rebuff to industrialists after their plea on Monday for a rapid cut in interest rates.

He warned that they must borrow less and curb wage rises, adding: "Companies can do more to help themselves than I can do for them."

Mr Lawson did promise, however, that the Conservative Government would honour its "pledge to the British people" to cut the burden of personal taxes.

The Chancellor's latest promise to cut taxes comes at a time when London markets and the two major independent economic forecasters have become sceptical about his room for manoeuvre in the next few years. They believe social security, public sector pay rises and defence will swallow up most of the £9½bn ($12.2bn) allocated for tax cuts over the next three years.

However, at a weekend meeting, senior ministers generally agreed that they must control public spending in order to allow the Treasury to deliver tax cuts pencilled into its medium-term strategy.

Yesterday in his speech to the Carlton Club political committee, Mr Lawson said: "Wa made a pledge to the British people to reduce the burden of income tax. Wa must not – and will not – go back on that pledge."

Mr Lawson said he understood industrialists' concern about interest rates, which was forcibly expressed by the Confederation of British Industry (CBI) on Monday.

But with equal toughness, Mr Lawsoo reminded company executives of the danger that inflation would once again start to accelerate, particularly if they awarded excessive pay increases.

He had warned in his budget speech that short-term interest rates would have to be held "at the level needed to maintain monetary conditions and to bring down inflation."

That remained the position. Even though it was generally expected that the inflation rate would fall by the end of the year, Mr Lawson said he was not prepared to take any chances with inflation.

He also threw down a challenge to the CBI's argument that high in-

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Economic Viewpoint, Page 13

Krupp group returns to profit

BY PETER BRUCE IN ESSEN

FRIED. KRUPP, the West German steel, trading, and engineering group, has announced net profits of DM 180m ($58.6m) for 1984, a dramatic improvement on the DM 301m loss it recorded in 1983.

Herr Wilhelm Scheider, Krupp's chairman, suggested the group would remain profitable this year although orders received in the first five months were 9 per cent down, partly because of an anticipated slump in orders for cement plant. He also said it would be "no surprise" if the slight weakening of the dollar softened the group's order intake during 1985.

Sales outside tha group rose 6 per cent last year to DM 18.2bn, helped largely by improvements in the steel division, which has benefited from firmer European prices, and the trading division. Confirming a trend being reported by most major German industrial groups, Herr Scheider said exports had grown 14 per cent to DM 8.4bn – an improvement attributable in large part to the strength of the dollar last year.

The favourable exchange rate helped Krupp double its plant and machinery business volume in the U.S. to around DM 300 and to raise total orders from the U.S. by 38 per cent to DM 650m. Domestic order growth at 12 per cent lagged far behind the overall 24 per cent increase in total foreign business.

Krupp achieved its turnaround despite incurring "restructuring expenses" of DM 130m, much of which has been spent in steel and on trimming its shipbuilding operations. The group's Bremen shipyard has been closed.

Herr Scheider said that during the first five months of 1985 order volume in the shipbuilding division, at DM 380m, was double the comparable 1983 figure. The present shipyard order book stood at DM 650m, which would ensure more than 80 per cent capacity utilisation until the end of next year.

He repeated warnings, however, that the recovery in steel would be best secured by the rapid conclusion of a planned merger between Krupp Stahl and another major German steel maker, Klöckner-Werke. The Australian minerals group, CRA, is also due to join the planned merger but the entire deal has become bogged down in political intrigue in Bonn because it involves closing a large works in a state run by Chancellor Helmut Kohl's Christian Democrat (CDU) party.

Herr Scheider warned that time was running out for the three prospective partners and that a final agreement, involving financial support from an apparently reluctant administration in Bonn, would have to be reached before the end of the year. The merger plans were announced last October. Steel orders this year, he said, had shown little improvement on the first five months of 1984.

Despite Krupp's admittedly cautious confidence about this year, the group is also having to deal with falling orders in its plant business, in defence equipment and its diesel engine operation, Krupp MaK.

Krupp Polysius, one of the world's biggest cement plant builders, accounts for most of the fall in plant orders this year, after having had a strong 1984, when it helped total plant and mechanical engineering orders rise 33 per cent to DM 6.7bn.

A fall this year in defence orders has meant a drop in overall mechanical engineering sales to around DM 1.1bn.

Brussels bid to lift sugar price with subsidy freeze

By Ivo Dawnay in Brussels

THE EEC Commission yesterday took the unprecedented step of withdrawing from the world sugar market. At its weekly selling tender in Brussels, the Commission refused to authorise the increased export subsidies required by traders to sell sugar onto the world market.

The move comes as an effort to bolster world prices which have crashed to a record low of 2.56 cents a pound in the last few days. Furthermore, the European Commission may decide to continue to keep EEC sugar off the world market for up to another three weeks in a bid to force up sugar prices.

A combination of rising world production, often stimulated by Government subsidies, and declining demand in the main industrialised countries, has created huge surplus stocks equivalent to six months supply and forced world prices lower. The prospect of yet another surplus in world production over demand this season, in spite of the very depressed prices, delivered the final blow pushing the world market to the lowest level ever in real terms.

The Commission now believes that prices are so low that continuing to pay ever increasing export subsidies is throwing money away. "The market has gone completely barmy," one official said.

But if the EEC ploy fail at a time when normal sales should be averaging around 50,000 tonnes a week, pressure on the Community to allow new, and more costly, tenders to go ahead may prove irresistible, not least because more newly-harvested sugar is due to join EEC stocks within the next few weeks.

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Our Commodities Editor writes: The Commission's move took the London sugar market by surprise but the price reaction was fairly modest. The October position on the futures market rose to $89.80 at one stage, but then settled back at $88.50 a tonne, only 60 cents up on the previous day.

Sour mood at sugar conference, Page 36

Air hostages 'could move to embassy'

BY TONY WALKER AND NORA BOUSTANY IN BEIRUT

Mr Nabih Berri, leader of the Shia Amal militia in Lebanon, yesterday offered to transfer all the U.S. hostages under his cootrol to a Western embassy in Beirut, pending the release of the 700 south Lebanese detainees in Israel.

He said the original hijackers of the TWA jet from which the hostages were seized has agreed to the proposal. As an alternative, Mr Berri suggested that the "39 hostages" could be flown to a "friendly on trusted capital" provided that assurances were given on their detention until Amal's conditions for their release were met.

Mr Berri's intention appears to be to shift at least some of the responsibility for the safety of the hostages following Tuesday's warning from the U.S. that if diplomatic moves failed it would consider other measures, including attempting to cut off "goods and services" from Beirut.

At a press conference, Mr Berri explained that "this way the pretext that the hostages are in danger will no longer be valid. Claims that Amal is responsible or in cootrol, or not in cootrol, will be eliminated," be said.

Mr Berri specifically mentioned the French, Swiss and U.S. embassies as possible recipients of the hostages.

Mr Berri also ordered the release of one of the bostages, Mr Jimmy Palmer, due to ill bealth. Mr Palmer was later flown to Cyprus.

The U.S. welcomed his release, but a State Department spokesman urged that the remaining 39 should also be freed as soon as possible and without conditions.

Mr Berri added that President Ronald Reagan's threats to close Beirut airport and blockade the city only helped to justify the behaviour of the hijackers. He urged that the crisis be solved with "justice and humanitarian spirit," and recalled the suffering of the south Lebanese under Israeli occupation.

But Mr Berri was also adamant that the hostages could not be freed before the prisoners in Israel were returned home. He reminded President Reagan that Lebanon, unlike Grenada, was ready for battle if necessary, while Col Akef Haidar, his chief aide, claimed that the U.S. was seeking to punish an entire nation for the actions of one faction.

Mr Berri also announced that two kidnapped French journalists had been located and would eventually be freed as a goodwill gesture along with the American hostages.

In defence of the hijackers' action, Mr Berri said they did not have "criminal intent but were only concerned with what was right. The method was not commendable but was at least partially justifiable in face of Israeli wrong-doing to which

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South Africa hit by new bomb attacks

BY ANTHONY ROBINSON IN JOHANNESBURG

SOUTH AFRICA was yesterday hit by a series of bizarre hand-grenade attacks in black townships east of Johannesburg and powerful bomb blasts in the Transkei black homeland.

The explosions came the day after the African National Congress, the leading exiled nationalist party opposing white rule in South Africa, announced it was stepping-up its armed struggle. They also coincided with the 30th anniversary of the signing of the so-called Freedom Charter, the anti-apartheid credo subscribed to by the ANC and other opponents of the South African Government.

The blasts also marked a significant escalation of grenade, firebomb and limpet bomb attacks on human targets and property, and may represent a new stage in what President P. W. Botha has called the creation of a revolutionary climate.

Eight black men were killed and seven severely injured in the early bours of Wednesday when grenades they were carrying exploded prematurely blowing off the right hands of six of the men. According to the police the grenades were of Soviet origin. They are interrogating the seven injured men to establish whether they were involved in a planned attack on the nearby homes of black policemen and an electricity sub-station.

The explosions took place in three separate townships. Two grenades exploded killing three men and injuring seven in a street at Tsakane near Brakpan, scene of re-

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Delors urges Treaty of Rome changes to speed decisions

BY QUENTIN PEEL IN BRUSSELS

REMOVAL OF all remaining barriers to a unified Common Market in the EEC by 1992, as proposed by the European Commission, will not be possible without changes in the Treaty of Rome, M Jacques Delors, the Commission presideot, said yesterday.

Speaking two days before the ten EEC leaders bold their summit meeting in Milan to discuss the long-range reform and development of the Community, M Delors lent his weight to the campaign for legal changes to speed up the process of decision-making.

At the same time he strongly criticised plans to set up a new secretariat in Brussels to coordinate the political cooperation of the member states, including foreign relations and questions of security. He warned that such a change could lead to a Community divided between questions of politics and economics.

M Delors urged the heads of governmeot to concentrate their debate on the broad questions of institutional reform—including the extension of EEC competence—rather than on specific items of policy.

However, he also asked for a clear response to the two White Papers put forward by the Commission—on the measures necessary to complete the internal market, and on the creation of a technological community as an umbrella for co-operation in high technology research and development.

In his analysis of the forthcoming summit debate, M Delors seemed to be going clearly beyond the British plan to streamline decision-making simply by a political agreement of the beads of government.

On the specific question of the campaign to complete the internal market by 1992—on which the British Government is seeking an earlier deadline of 1990—he said: "We need to modify the Treaty to arrive at it. If it had been possible without modification, we would bave got there before. A declaration of intent from the summit will not be enough."

The Treaty of Rome requires unanimous agreement for changes to be made on key areas of removing barriers to a single market. The reformists want that requirement changed to majority voting.

He said that an inter-governmental conference, favoured by Italy, the current president of the Community, and the Benelux nations, would be both a "public symbol" of the member states' commitment to strengthen Europe, and a "practical approach to reaching conclusions."

However, he also admitted that the summit meeting could constitute an inter-governmental conference, as Mrs Thatcher has argued.

He also urged the heads of state to commit themselves to a gradual phasing out of the use of the so-called Luxembourg compromise, which allows individual members to block decisions by citing their "vital national interests."

Agreement reached over Mediterranean programme

BY IVO DAWNAY IN BRUSSELS

EEC member states finally agreed in the early hours yesterday on the detailed application and financing of new Integrated Mediterranean Programmes (IMPs) aimed at compensating southern countries for the effects of Spanish and Portuguese accession.

The seven-year scheme, worth Ecu 6.6bn (£3.9bn), had been agreed in outline at the Brussels summit last March. But continuing wrangles over the financing and distribution of the funds had begun to threaten to disrupt the Milan summit, starting tomorrow.

Yesterday's deal ensures that Greece, the most militant campaigner and greatest beneficiary of IMPs, will be guaranteed Ecu 2bn, mostly from an Ecu 1.6bn new funding line. The remaining portion comes from an Ecu 2.5bn allocation out of existing regional, social and farm programmes.

Greece failed, however, in the last hours of negotiations to ensure that the latter sources have a special "IMPs credit line" built in. The UK, Ireland and other northern member states won, for their part, firm written assurances that their access to these funds will not be disadvantaged by the IMPs commitment.

How exactly these conflicting interests will be resolved remains unsettled. But the European Commission insisted yesterday that assurances included in the final regulation will defend northern interests.

The Commission's powers are markedly enhanced by the deal over how the funds are allocated to the programmes to be submitted by each member state. Despite West German objections, the Commission won approval for a system that gives it the last word on whether a scheme goes ahead.

Although a special advisory committee representing the Ten will have the power to throw out a plan, the Commission's modifications will not have to be resubmitted for approval under the text agreed yesterday.

A tussle between the French and the Italians—the two other IMPs beneficiaries—to maximise their access to the new funds ended in a draw, with the Commission left to have the final say.

Yesterday's agreement will now go to the European Parliament for its comments before becoming a full Community regulation, possibly before the end of this month.

W. Germany backs Eureka high technology project

BY RUPERT CORNWELL IN BONN

WEST GERMANY last night gave its clearest endorsement so far of the French-sponsored Eureka project for high technology co-operation in Europe, which is to be a key theme at this weekend's Community summit in Milan.

This unequivocal backing in principle to Eureka, which in some respects overlaps with the Strategic Defence Initiative (SDI) of the U.S., emerged at a meeting here of the respective defence, foreign and technology ministers of the Paris and Bonn governments.

It follows multiplying indications from various major companies in the two countries of readiness to take part in projects under the umbrella of Eureka, once a go-ahead has been given by EEC heads of government in Milan, and a specific framework established by technology ministers.

After a lukewarm initial reception to the French scheme, put forward as little more than an idea in mid-April by President Mitterrand, Bonn has been showing steadily growing interest, most notably in the person of Herr Hans-Dietrich Genscher, the Foreign Minister.

However, officials here have made clear that Bonn will want to be convinced of the feasibility and market prospects of individual ventures under the umbrella of Eureka before committing itself on funding. West Germany is also keen that the entire scheme should not be limited to EEC member countries, but be open to other European nations

President Eanes: likely to dissolve Parliament

Portuguese President ponders his options

By Diana Smith in Lisbon

PRESIDENT Ramalho Eanes is expected to tell the Portuguese people in the next few days what he intends to do about the government crisis precipitated on June 4 when the leader of the minority Social Democrats announced his party's intention to walk out of the two-year-old coalition.

Yesterday Gen Eanes had his fourth meeting in a fortnight with his Council of State, the advisory body made up of main party leaders and prominent personalities. For the second time the council met under the constitutional clause which permits it to discuss possible dissolution of Parliament and a snap general election.

Though the content of the meeting was not made public the likelihood that Gen Eanes will dissolve Parliament by July 14—the cut-off date for his intervention prior to scheduled December presidential elections—is now very strong. All parties but the Socialists want elections and Sr Mario Soares's formal resignation on Tuesday indicated that the embattled Socialist leader concedes that he had no support for his battle to maintain stable government until December.

Soviet regional party leader replaced

By Patrick Cockburn in Moscow

A COMMUNIST Party leader from central Russia, Mr Filipp Knyazev, has been retired and replaced by an inspector from the Central Committee in Moscow as part of the general campaign to change the Communist Party leadership at local level.

Mr Knyazev, 69, first party secretary for the Kurgan region close to the Urals for 20 years, is replaced by Mr Alexander Plekhanov, 53, the Communist Party daily, Pravda, said yesterday.

An increasing number of party and state officials are expected to be replaced over the next eight months up to the meeting of the next Communist Party congress in February 1986.

In the three months since Mr Mikhail Gobachev was elected leader 12 Communist Party chiefs or first secretaries in the 159 districts into which the Soviet Union is divided have been replaced. This compares to 16 changes in the year that President Chernenko held power.

Other moves, possible then or later in the year, include the retirement of Mr Nikolai Tikhonov, the Prime Minister, who is in operational charge of the economy although 80 years old. There are also doubts about the future of some Politburo members

David Housego adds from Paris: Mr Gorbachev is to visit France in the autumn, Mr Stepan Tchervonenko, the former Russian ambassador to Paris confirmed yesterday.

Mr Gorbachev's visit will be his first trip to West Europe since taking power.

Why Bonn cannot easily yield ground

BY RUPERT CORNWELL IN BONN

THE ISSUE which will be exercising EEC Environment Ministers in Luxembourg today may be the eminently technical and —to the layman at least—largely incomprehensible one of car exhaust standards, catalytic converters and emissions of nitrogen oxides.

But the language used in Bonn to describe a dispute which pits West Germany against France, Italy and above all Britain has acquired a militaristic, almost evangelical, fervour as climax approaches. "This is a battle we will win," a Government spokesman declared on Tuesday, reporting on the fruitless outcome of final "war negotiations" in London between Herr Friedrich Zimmermann, the Interior Minister responsible for the environment, and his equally unyielding British opposite numbers.

Th verbal resolve has only been stiffened, moreover, by the withering attack from M Jacques Calvet, chairman of the French Peugeot car group, that a "bunch of hysterics" in Bonn, in their eagerness to force the pace on lowering car pollution, was putting the very survival of the European motor industry in peril.

Such exchanges have predictably generated still more heat than light; and few would hazard a guess on how the Luxembourg discussions, on the basis of EEC Commission proposals which satisfy no one, will end.

The speculation here ranges from breakdown, which could lead to unilateral German action to enforce tougher standards and the possibility of retaliatory measures, legal or commercial, by Bonn's partners, to a compromise which would, in effect, allow both sides to go their own way. But what is unmistakeable is the pressure, political and emotional, which has held the Bonn Government to its course.

After its battering in the recent North Rhine-Westphalia state election, the fractious Christian Democrat-led coalition of Chancellor Helmut Kohl can not be seen to yield any further ground, least of all on as sensitive a topic as the fight to save dying German forests, for whose plight car pollution, and above all nitrogen oxide emissions are held to be the prime culprits.

The Cabinet this week again promised unequivocal support to Herr Zimmermann in his sally to Luxembourg—as well it might. The Interior Minister belongs to the CSU, the CDU's Bavarian sister party. And to betray him would invite fierce, conceivably fatal, retribution from Herr Franz-Josef Strauss, not merely leader of the CSU but the most cutting critic of the Chancellor.

As if to underline the point, Herr Strauss has sent an open letter to Herr Kohl urging him —if Bonn did not have its way in Luxembourg—to bring the entire car pollution controversy to this weekend's EEC summit in Milan.

That is something the Chancellor, who is already under fire for West Germany's use of the veto to block Community cereal price cuts earlier this month, will do his utmost to avoid. But as the Frankfurter Allgemeine Zitung, the influential conservative daily, remarked yesterday, if ever there was a "vital national interest" which justified a veto by Bonn, it was not farm prices but the preservation of German forests, threatened by pollution which could in turn be tackled only by supranational action.

Anxious Germany-watchers might see this as further proof of a new unfocused nationalism: and without doubt the Government's line has broad cross-party support. What criticism there has been has been less of the goal itself than of the crucial tactical mistake of Herr Zimmermann in underestimating from the start the likely resistance of other major EEC countries to swift, strict measures to cut car pollution.

For that reason too, demands have resurfaced for motorway speed limits, which West Germany alone in the EEC does not have.

But if Bonn, as seems likely, does fail to carry the day, there could be one notably, if backhanded, consolation: exactly DM 7bn (£937m) more tax revenue between now end 1994, economists at the IFO institute reckon, than the Government might otherwise have expected.

Less stringent emission standards, the Munich-based IFO points out, will reduce the tax incentives Bonn has promised purchasers of low polluting cars and which are due, in theory at least, to become law on July 5. What is more, deliveries of models fitted with converters have thus far been extremely scanty, just 12,184 in the first four months of 1985.

The authorities had hoped that as many as 44 per cent of all new cars on the road this year might be so equipped, but IFO is now guessing at 12 per cent, or even fewer if the present confusion goes on. And should the trend continue, the state could be paying out DM 1.9bn less in incentives than it had bargained for.

Moscow to cut French gas price

BY DOMINIC LAWSON IN MUNICH

THE Soviet Union has agreed to reduce the price that it charges France for two major gas contracts. The revision is likely to save France about FFr 1bn (£83m) on its gas bill in 1985 alone.

Several weeks ago the Soviet Union had agreed to reduce the price of its 1982 gas supply contract to France to about $3.5 per million British Thermal Units (mbtu). But the French have been taken aback by the speed with which the Soviet Union has now agreed to cut the price of two earlier contracts —signed in 1976 and 1980— totalling 4bn cubic metres a year.

The price agreed at the time was about $4 per mbtu and the cut will be retroactive to the start of this year.

France buys about 20 per cent of its gas from the Soviet Union but the Soviet move is clearly designed to impress on the French that they would benefit by giving a bigger share of their market to the Soviet Union.

Mr Yuri Baranovsky, the president of Soyuz Gazexport, who signed the new deal with Gaz de France in Munich on Tuesday, said yesterday that gas would replace oil as the Soviet Union's main foreign currency earner within the next few years. He added that the Soviet Union was very close to signing its first gas sales contract to Turkey and that negotiations to sell gas to Greece had been stalled by the Greek general election.

The Soviet Union's main rival in the supply of gas to Europe, Norway, is increasingly concerned that the Soviet Union will take more and more of its market share.

Mr Kaare Kristiansen, Norwegian Energy Minister, said yesterday that while he realised that Norwegians had to compete with "other relevant sources" that competition with other suppliers could be more difficult especially if their economic systems are different and so centralised that market forces are put out of work."

On Tuesday Mr Viktor Tschernomyrdin, the Soviet Gas Industry Minister, conceded that "competition with other USSR's gas deliveries to capitalist countries exported on a barter basis."

However, Sir Denis Rooke, the chairman of British Gas, in an interview with the Financial Times on Tuesday, pointed out that the Norwegians had not invited British Gas to their current talks with European gas buyers about sales of gas from Norway's giant Troll field.

Sir Denis said that "nobody has told me I can't talk to the Russians" and that Norway must compete with the Soviet Union on price.

Any move by the UK to discuss gas imports with the Soviet Union would cause major anxiety within the U.S.

Gasunie of Holland cut its gas price to France by about 7 per cent earlier this year. M Pierre Alby, chairman of Gaz de France, said yesterday that, after the revision, Soviet gas was "at terms similar to those of our Dutch imports."

Hungary faults Comecon over low food prices

BY LESLIE COLITT IN EAST BERLIN

HUNGARY, the spokesman for the farm lobby in Comecon, has openly criticised its partners in the Communist economic organisation for failing to agree on higher prices for agricultural products.

The official Hungarian media, reporting on the current Comecon summit meeting in Warsaw, yesterday emphasised critical remarks made by Mr Goergy Lazar, Hungary's Prime Minister. He said that "despite all the resolutions" adopted by Comecon, agreement had not been reached on conditions to stimulate more effectively agricultural production and supplies to other Comecon countries.

In addition to Hungary, the agricultural bloc in Comecon includes Bulgaria and Romania. Although these countries also have large industrial sectors they rely on agricultural exports to earn precious hard currency in the West and to pay for Soviet oil and natural gas.

Hungary is a leading food supplier for rest of Comecon— mainly meat — and Bulgaria ranks second.

Hungary's leading economics journal, Figyeloe, noted that reliable supplies of food to Comecon's population were of "strategic importance." It said Hungary had managed to triple its farm exports to Comecon in the past 10 years as a result of heavy investments. The importing countries, Figyelo said, must now also invest in the agricultural and food processing sectors in Hungary and the other Comecon food exporters as well as "create an economic incentive" for them.

This is precisely what the Soviet Union has done in recent years: It has got its East European partners to invest heavily in the Soviet oil, gas and raw materials industries in order to continue getting regular supplies from Moscow.

Algerian minister hints at possible gas price cuts

BY JAMES BALL IN MUNICH

ALGERIA RECOGNISED that "you can not sell a non-competitive fuel," Mr Belkacem Nabi, Algerian Minister for Energy and Petrochemicals, said in Munich yesterday, indicating that Algeria was possibly prepared to discuss lowering its gas prices to Europe when these come up for renegotiation later this year and in 1986.

According to M Pierre Alby, chairman of Gaz de France, it was the first time that Mr Nabi had referred to a European consumer when questioned about Algerian gas prices.

Mr Nabi was speaking to a press conference at the World Gas Conference where only the previous day the Soviet Union had agreed to cut the price of gas in its first two contracts with Gaz de France.

Commenting on the cuts, M Alby said that an average of 7 per cent had been achieved, bringing the price on all three Soviet gas contracts to a level similar at the French border to the price paid for Dutch gas.

Gaz de France earlier this year won a price cut to about $3.50 per million BTU from Dutch exporter Gasunie.

While professing ignorance of the new Dutch and Soviet terms, Mr Nabi has clearly picked up the message from the conference that gas prices in Europe are moving downwards as utilities try to retain market shares for gas in the face of competition from gas oil and electricity.

Algeria is apparently now more willing to discuss price cuts but less willing to discuss volume cutbacks.

Mr Nabi also said that he expected Algeria to announce contracts for up to 10bn cubic metres of gas within the next few weeks. He would not name the countries involved but he did not deny that they were Yugoslavia and Brazil.

However, despite official reports in the past indicating that both of these contracts would involve a degree of barter, Mr Nabi asserted that Algeria would not accept barter terms for any gas sale contract.

Algeria's sale to Brazil is expected to be for a period of four to five years at a level of 1bn cubic metres a year to help develop the Sau Paulo gas network before Brazilian gas networks can be developed.

The trade to Yugoslavia will be via the trans mediterranean pipeline from Algeria to northern Italy but will have to await adaptions to the Algerian section of the pipeline.

Algeria has yet to build a second 48-inch line from the Hassi R'Mel gas field to the Tunisian border to meet increased supply commitments to Italy. Mr Nabi said that work to remedy this capacity shortfall was behind schedule.

Benedetti bribe claim to be probed

By Alan Friedman in Milan

The Italian state prosecutor in Rome yesterday, announced that he would open an investigation concerning the disclosure by Sig Carlo de Benedetti on Tuesday that he was asked to pay a bribe in order to expedite the acquisition of his Buitoni foods group of the state owned SME food company.

This could mean that Sig de Benedetti may be asked to tell magistrates who actually solicited the alleged bribe, which he said was requested after the SME deal ran into political trouble.

Sig de Benedetti's revelation was yesterday causing reverberations throughout Italy. The disclosure, which emerged during a Press conference, marks a dramatic turn in the SME affair, which started out on April 30 as an historic privatisation of a subsidiary of the IRI state holding group and has turned into a highly politicised controversy.

Bush lobbies Dutch over missiles

BY LAURA RAUN IN AMSTERDAM

MR GEORGE BUSH, the U.S. Vice President, said yesterday that he had received no assurance from the Dutch Government that it would deploy nuclear missiles under the 1979 Nato agreement.

But Mr Bish hastened to add that he was confident the Dutch would go forward with a June, 1984, decision on siting cruise and Pershing missiles on Dutch soil. Under that decision, Holland will site 48 nuclear-warhead missiles if more than 378 Soviet SS20 missiles are deployed as of November 1, and will take none of the Nato missiles if fewer than that number are in place.

The Dutch also have said they would take a proportionately smaller number of the medium-range missiles if the U.S. and the Soviet Union have reached an arms control agreement by the November 1 deadline.

Mr Bush spent much of the day lobbying Dutch MPs in favour of deploying the controversial missiles and met with characteristic Dutch frankness. The Opposition Labour Party firmly opposes deployment and has promised a tough battle when Parliament votes on November 1 on whether to approve the twice-delayed siting.

Mr Bush's 24-hour stop-over in The Hague as part of a seven-nation European tour clearly was intended to overcome reluctance to siting nuclear missiles in the face of widespread public opposition. The political difficulty in siting the weapons in historically peaceful Holland is exacerbated by general elections next May. The Socialists are aiming to make the elections a referendum on accepting the triple warhead missiles

OECD members boost Third World aid

WESTERN nations boosted their aid contributions to developing countries last year and are likely to do so again in 1985, the Organisation for Economic Cooperation and Development (OECD) said yesterday, Reuter reports from Paris.

But is said their contributions remained well below the United Nations' recommended level, while assistance from Opec nations and the Soviet bloc fell.

The 17 members of the OECD Development Assistance Committee gave $28.6bn (£22.2bn) of official aid last year, up $1.1bn from 1983.

The OECD attributed this "strong increase" to "a further expansion in regular development assistance activities and special emergency contributions to famine-stricken countries in Africa. "The same trends should lead to "further significant aid increases in 1985," it said.

Pope murder plot case in difficulties

By James Buxton in Rome

THE month-old trial of three Bulgarians and five Turks for conspiracy to murder Pope John Paul II resumes today after a day's break with the prosecution case against the Bulgarians in serious difficulty.

Mr Mehmet Ali Agca, the Turkish would-be assassin of the Pope, has proved to be lamentable as the star witness. He has prevaricated, contradicted himself and diverted the court by claiming to be the reincarnation of Jesus Christ.

On Tuesday he told the court he had no more evidence to give. "I can't give any more answers, there's nothing left. I can't invent new things to say. The more replies I give, the more complicated it gets."

Earlier, he appeared to destroy an important part of the prosecution case against Mr Sergei Antonov, the Bulgarian airline official, who is on trial. He said that he and his Turkish accomplices had planned to escape from St Peter's in their own car. It was a key part of his testimony to investigating magistrate, Sig Ilario Martella, that Mr Antonov would drive them away.

Mr Agca said later that the Antonov plan was an alternative.

Denmark's income tax reforms receive mixed welcome

Hilary Barnes assesses the six-party agreement on tax changes

Prime Minister Poul Schlueter: hoping for savings boost

AGREEMENT on a major reform of the Danish income tax system, which has eluded successive governments for 20 years, has been won by Prime Minister Poul Schlueter's four-party non-Socialist coalition, at the end of its third annual parliamentary session.

The agreement, in addition to being supported by the coalition parties — the Conservatives, Liberals, Centre Democrats and Christian Peoples Party—is backed by the social-liberal Radical Party, which holds the balance between the centre-right Government in the present Folketing, and the opposition Social Democrats. The broad-based agreement means that the deal will not be unravelled if there is a change of government.

The reform has received a mixed welcome, especially from the business sectors, which will pay for reductions in personal income tax through a higher rate of corporate income tax and restrictions on entertainment spending. It is a fair guess that the present coalition parties would have opposed this outcome with some vehemence had they still been in opposition.

Should the Government succeed in surviving for a full term it will be the first Government to do so since the non-Socialist Government of 1968-71. Since then there has been an election on average every two years.

The tax reform agreement (the actual legislation will be passed first in the Folketing session which starts in October) adds to the list of significant achievements by Mr Schlueter's Government. These already include:

- The suspension of the automatic price-wage indexation system since October, 1982;
- Success in stopping the rise, in real terms, in public expenditure which, as a recent OECD report on member countries' social welfare spending pointed out, is a remarkably difficult achievement;
- The almost complete removal of restrictions on foreign exchange transactions. This will expose any government, or parties which may be about to become the government, to massive retribution via the foreign exchange markets if it makes over-extravagant promises or leads markets to believe that the present policy of maintaining an unchanged exchange rate (within the EMS) would be abandoned;
- The imposition of a statutory incomes policy, with effect from March 1 this year which, if fully effective, will reduce the rise in wage rates over the two years of the policy to around 2 per cent a year.

The central issue the Government has tackled through its tax proposal is the incentive to individuals to build up debt and the disincentive to save. This has created a serious problem for Denmark because the low savings rate is an inadequate domestic base for funding Denmark's large balance of payments deficits.

The incentive to borrow comes from unlimited right to deduct interest paid on debt from income so that tax is paid on a reduced total income. At the same time, marginal tax rates are very high.

The main measure in the reform package will be a significant reduction in the tax concessions allowed on interest income.

The second main measure is a reduction of marginal income taxes. On all incomes of up to DKr 200,000 (£14,000) a year, tax will be paid at a rate of 50 per cent, which is substantially lower than under the present tax scales. The top rate of income tax under the new system will be 68 per cent compared with 73 per cent at present, and there will be only two basic rates, 50 per cent and 68 per cent.

A whole series of deductions which are allowed under the present system will also disappear when the measures take effect.

Interest income will be taxed at 50 per cent, not at the normal rate of income tax: corporate tax has been increased from 40 to 50 per cent already.

The reform parties hope that the general impact will be to encourage a higher rate of saving and to make it more attractive to increase earnings by, for example, accepting overtime work.

The increase in corporate income tax—and a reduction to 25 per cent of the amount companies can deduct for entertainment and representational expenditure — means that the income tax reform will be largely paid for by business, except for DKr 3bn or so which remains unfinanced.

The latter fact has caused many commentators to forecast increases in alcohol and tobacco taxes this autumn to prevent the tax reform from leading to a rise in consumer spending and a further deterioration in the current balance of payments deficit. Mr Palle Simonsen, the Finance Minister, has argued that the tax increases will not be necessary as the increase in savings arising from the tax reform will soak up any surplus spending money.

Golf claimed as best ever seller

VOLKSWAGEN yesterday claimed its new Golf was the fastest-selling car of all time because 1m had been sold since output started exactly two years ago, Kenneth Gooding reports. The record was previously held by the first Golf which reached 1m in 31 months.

The new Golf has been Western Europe's top selling car for the past two years and in 1984 took nearly 5 per cent of total sales with 477,000 registrations. Worldwide sales last year were 650,500.

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OVERSEAS NEWS

India urges overseas crackdown on Sikh extremists

BY JOHN ELLIOTT IN NEW DELHI

INDIA is urging the governments of Canada, the U.S. and Britain to take tougher action to curb the activities of Sikh extremists who are using the countries as bases from which to plan violent campaigns for an independent Sikh state called Khalistan.

The Indian Government believes that the suspected Sikh involvement in the Air India Jumbo jet crash will persuade the countries to regard Sikh extremists as potential criminals and terrorists rather than as political refugees whose views and activities should be absorbed without interference.

Meanwhile, the events of the past few days may slow down moves in India towards a possible settlement of the Sikhs' political and economic demands for their northern Indian state of Punjab.

The system of President's direct rule from Delhi introduced in the Punjab in October 1983, because of increasing violence expires in October and should constitutionally be replaced with fresh elections for the state's assembly. The assembly stood in abeyance after President's rule was introduced till yesterday when its official term of office expired.

Mr Rajiv Gandhi, India's Prime Minister, is now moving slowly towards a fresh attempt for peace talks in the hope that elections in the state could be held by the end of the year. But the political situation among warring Sikh factions is not yet stable enough for an early initiative.

International co-operation between the security forces of the countries involved in the forces of European and North American countries has been stepped up in the past few days with the hunt for Mr Lal Singh and Mr Amand Singh, two Sikhs wanted by the U.S. Federal Bureau of Investigation in connection with a plot to assassinate Mr Gandhi while he was in the U.S. They are now wanted in connection with the Air India crash.

For nearly a year India has been asking the UK, U.S. and Canada — plus other countries such as West Germany and the Netherlands — to bring police pressure to bear on Sikh extremists. But it has been generally dissatisfied with the response although it acknowledges the UK has been tougher in recent weeks.

Its displeasure with the UK has received most publicity because of the historic links between the two countries and because of publicity generated by BBC broadcasts. Such factors make India more sensitive about what happens and is said in the UK than other English-speaking countries.

But attention has been turning to the U.S. and Canada

NO SIGNALS have been detected from the flight recorder of the Air India Boeing, which is thought to be lying in 6,000 ft of water off the Cork coast, Our Dublin Correspondent writes. Search vessels, led by HMS Challenger, which have taken special equipment on board to help locate the "black box" are continuing he hunt for debris from the plane at the crash site.

No similar operation in such depth has ever been mounted before, and prospects of finding the recorder remain slim.

The wreckage so far recovered is being assembled by Indian investigators in e location in Cork which the authorities are keeping secret.

Air India 'failed to raise alarm' over suspect bags

BY BERNARD SIMON IN TORONTO

UNCERTAINTY OVER the precise responsibilities of airlines and government departments for airport security has emerged as a key issue in Canadian investigations of the Air India disaster and the almost simultaneous bomb blast in luggage unloaded off a Canadian Pacific flight in Tokyo.

Department of Transport officials said that they would have ordered more thorough checks of baggage loaded on Air India flight 182 if Air India had told them of three suitcases which were held back by airline security guards in Montreal after X-ray checks.

The aircraft crashed off Ireland on Sunday with the loss of 329 lives.

Until tighter precautions were introduced this week, baggage placed in aircraft holds at Canadian airports was not normally subject to X-ray or other inspection, unless an airline specifically asked for such checks. No request was made for checks of luggage on the CP Air flight which originated in Vancouver.

Rafsanjani: trusted Khomeini aide

Iraq severs relations with Libya

By Our Middle East Staff

IRAQ severed relations with Libya yesterday in recognition of the deepening divisions between the two countries over the Gulf War and over moves towards a settlement of the Palestinian issue.

The immediate cause of the split appears to have been the visit to the Libyan capital of Tripoli by Hojatoeslam Ali Akbar Hashemi Rafsanjani, Speaker of the Iranian Parliament and one of the most trusted aides of Ayatollah Khomeini, the Iranian ruler.

During his visit to Libya, Rafsanjani signed a 10-point communique which recorded Libya's stand with Iran in the "war imposed on it by the fascist and Ba'athist Saddam Hussein of Iraq which is acting on the orders of U.S. imperialism, Arab reaction and Zionism."

Libya is also suspected of supplying Iran with Soviet-manufactured Scud-B missiles which Tehran has been using to attack Baghdad.

The break in diplomatic relations between Iraq and Libya highlights the realignment in Arab alliances which has been taking place since the outbreak of the Gulf War in September 1980.

Iraq, which before 1980 had considered Libya and the other members of the so-called "Steadfastness Front" to be insufficiently radical, has now become one of the key Arab "moderates." It has re-established relations with the U.S., is on good terms with Egypt and is supporting Jordan's Middle East peace initiative.

Iran, on the other hand, has sought to establish its bridgehead in the Arab world through the antagonism of Syria and Libya towards Iraq and through support for radical Palestinians against the leadership of Mr Yassir Arafat, chairman of the Palestine Liberation Organisation.

PLEA TO KEEP SECURITY ISSUE SEPARATE FROM TRADE

Japan warns U.S. over defence pressures

BY JUREK MARTIN IN TOKYO

JAPAN is concerned that trade friction with the U.S. could spill over into what is considered here to be "counter-productive" American pressure for higher Japanese defence spending.

Mr Koichi Kato, Director General of the Japanese Defence Agency, suggested yesterday that the consequences of such pressure, which he said had been significantly reduced over the last four to five years, could be to undermine the present public consensus behind the *U.S.-Japan security treaty.*

Mr Kato was in Washington on an official visit two weeks ago when the U.S. Senate passed a non-binding resolution calling on Japan to spend more on defence. He said he had told Mr Caspar Weinberger, his U.S. counterpart, that it was vital to avoid linking defence with other bilateral issues.

Economic friction, he said in Tokyo yesterday, here, tended to come and go every year or two whereas defence planning had to be considered on a 10- to 20-year cycle which was not susceptible to "abrupt changes." He thought the U.S. Administration, but not necessarily Congress, understood the importance of allowing Japan to make "autonomous" efforts to improve its defence capability.

Even though defence spending is likely to pass its controversial ceiling of 1 per cent of gross national product this summer, Mr Kato did not expect it would then rise rapidly. Civilian control over the military, exercised through the Diet (parliament) precluded this, he said.

Mr Kato is widely seen as one of the rising stars of Japanese politics. He is the second youngest head of the Defence Agency in its history. Educated in part at Harvard and a China specialist at the Foreign Ministry before becoming a Diet member in 1972, he is one of the most visible of the new breed of outward-looking Japanese politicians, though he notes, ruefully, that his rural constituency would rather he concentrate on domestic issues.

In an unusually frank analysis of Japan's strategic approach, he insisted that Japan was simply "continuing to study" the U.S. Strategic Defence Initiative (SDI) on the basis of publicly available American material. It had not, he said, defined a role for itself in SDI, nor would it unless and until approached by the U.S. Some Japanese reports have suggested that the DA has already commissioned studies on a possible Japanese role.

He also doubted that defence relations with China would develop into anything approximating that now enjoyed exclusively with the U.S. Japan, he added, had no intention of forming part of a triangle, along with the U.S. and China, against the Soviet Union.

Exchanges of views with Nato countries could be placed in a similar category. "I believe the solidarity of free nations with common views is very important," he said, adding that he thought the lack of it had contributed to the Soviet invasion of Afghanistan. "But if the dialogue (with Nato) continues, *its nature will be very* different from that with the U.S."

Two years ago, Japan is understood to have made informal overtures to Nato for improved consultation, but was rebuffed by France. Since then, Japan has relied mostly on the U.S. for its window on Nato affairs, though exchanges of views with officials from other alliance countries, including the UK, have taken place.

Tanaka 'still a political force'

THE FAMILY of Mr Kakuei Tanaka, the ailing former *Prime Minister and king*-maker, has begun e campaign to convince the Japanese public and his supporters that he is not finished as a political force, Jurek Martin writes.

They did so as the chief pretender to his factional throne, Mr Noboru Takeshita, the Finance Minister, convened a third meting of his political allies as part of his *strategy to run for the leader*ship of the governing party and thus become Prime Minister *of Japan. The* meeting attracted 52 MPs, the most yet.

This week e monthly magazine put out by his supporters published three photographs of Mr Tanaka, taken by his family, purporting to show him recuperating from the stroke which laid him low in late February.

Superimposed on one of them is the caption "no *retirement." All three shew* Mr Tanaka sitting at a desk at home, apparently leafing *through* some papers. His right hand, which is said to be paralysed, is resting on his knee; e wheelchair is evident to one side. He looked gaunt and slim, compared with his old ruddy self.

Mr Takeshita initially commented inconclusively that he thought they showed "post-illness impressions" but yesterday, at his group's meeting, more tactfully hoped *for Mr Tanaka's full* recovery.

Sri Lankan peace *talks* to start soon

THE SRI LANKAN Government and Tamil separatist political and guerrilla groups *will* hold talks in Bhutan on the island's ethnic crisis, a cabinet spokesman told Reuter in Colombo yesterday.

He said the cabinet had agreed preliminary talks should begin in the tiny Himalayan kingdom within the next few days. A Government team would soon leave for the Bhutanese capital Thimpu.

A spokesman for the Tamil United Liberation Front (TULF), the main political party representing the minority Tamils, later said that TULF representatives and others from five Tamil guerrilla groups would attend.

The TULF and the guerrillas have been campaigning for a separate Tamil state in the north and east of Sri Lanka, a drive which has resulted in *violent clashes between Tamils* and the majority Sinhalese.

The Sri Lankan spokesman said that the Indian Government would help provide transport and other facilities for the delegations.

Mervyn de Silva writes: Sri Lanka's repair bill after the 1983 July Tamil riots exceeds Rs 130m ($5m), says an official report. This does not include the cost of feeding, housing and rehabilitating refugees and displaced persons. Immediately after the riots there were 160,000 Tamil refugees.

Zimbabwe's white voters show little enthusiasm for election

BY OUR HARARE CORRESPONDENT

ZIMBABWE'S dwindling white community goes to the polls today to elect, maybe for the last time, a bloc of 20 MPs whose entrenched seats were guaranteed for 10 years under the independence constitution.

The outcome is almost irrelevant—save for one key issue. The bloc carries little weight in a 100-seat assembly, and a comfortable majority of the 80 black seats at stake in next week's round of voting are almost certain to be won by the ruling party, Mr Robert Mugabe's Zimbabwe African National Union (Zanu).

But for the *10-year duration* of the constitution negotiated under British chairmanship at the Lancaster House, London, talks in 1979, the whites have an effective veto over Mr *Mugabe's* oft-stated *intention* to introduce a one-party state.

The consitution requires the support of all MPs for such a move, and neither the white MPs nor the representatives of Mr Joshua Nkomo's Zimbabwe African Peoples Union (Zapu) are ever likely to endorse such a proposal.

Important a principle as this may be, it has not been enough to excite much election interest in a white community whose numbers have shrunk from the mid-1970s peak of 270,000 to perhaps 90,000, of whom 32,500 have registered as voters compared to 2.9m black voters.

A one-party state is opposed by both white parties—the Conservative Alliance led by Mr Ian Smith, the former Prime Minister who led Rhodesia into a unilateral declaration of Independence in 1965, and the loose coalition called the Independence Zimbabwe Group, which broke away from Mr Smith's party in 1982 and held 13 of the white seats in the last Parliament.

This may well reflect the views of most white voters, but other *issues excite little* interest in a community which lives as comfortably as ever.

For Mr Mugabe, who like Mr Nkomo opposed the provision of an entrenched bloc of seats, the *performance* of white MPs has probably been disappointing. Ideally, he would have liked to have co-opted them on to his Government's side, winning their support for a one-party state.

Despite overtures (and giving a major Cabinet post, agriculture, to a white), the MPs and their potential successors seem set in their opposition, not least Mr Smith, now old and greying, and fighting what is surely his last political battle.

The election campaign between the two white groups has progressively degenerated into a series of spiteful petty squabbles with neither side showing much difference in their policies.

Both have promised to vote against any move to amend the clause in the constitution guaranteeing white representation, which will need 70 positive votes in 1987 as against the 100 required now.

Mr Smith realises that the bloc of 20 white seats in the House of Assembly will need the support of 11 black MPs to beat off Government attempts to abolish the white seats after *1987.*

He believes he can easily get this from any of the black opposition parties, notably Zapu. The abolition of white representation would result in the removal of 20 votes crucial for blocking one-party state legislation in 1990.

Zapu would not vote "itself out of existence," Mr Smith asserts.

Whether Mr Nkomo would be willing to vote to keep a system of representation that gives 20 seats in parliament an electorate which equals only 3 per cent of the black electorate, remains to be seen.

The outcome of the white voting today is difficult to predict, but observers give the independents the edge.

Controversial Hong Kong Bill passed

THE HONG Kong Government yesterday defied public opposition and passed a *Bill* designed to pave the way for more democracy and autonomy in the colony before it reverts to Chinese sovereignty, Reuter reports from Hong Kong.

Large chunks of the Legislative Council (powers and privileges) Bill had been cut after opposition from lawyers, pressure groups, labour unions and journalists who denounced it as an attempt to muzzle free speech. Fifty groups opposed to the Bill made a last-minute attempt to get its final reading delayed.

The Government said the Bill set out on paper existing powers of Hong Kong's top lawmaking body, which are now rooted in the British parliament, and would give a new-style Legislative Council a firm Hong Kong identity.

In October, 24 elected members will sit for the first time on a 56-member council. All are now government appointed.

Opposition to the Bill centred on a clause, since scrapped, stating that anyone who defamed the council or reported its closed sessions could be jailed for three years.

The Bill comes as political parties are beginning to emerge and the Government makes itself more representative before 1997 when Peking resumes sovereignty.

AMERICAN NEWS

House approves Bill to limit defence abuses

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE House of Representatives has voted overwhelmingly to crack down on defence contractors who bill the U.S. Government for unacceptable costs, such as parking tickets, club memberships and trips to the Paris air show. The House angrily approved fines and jail sentences for offenders, whom many members of Congress fear have given defence spending, and the Pentagon itself, a bad name.

In a series of measures to tighten up Pentagon practices, the House also urged a steady increase in the number of defence contracts put out to competitive bidding and stiffened the conditions under which Pentagon employees could take jobs with defence contractors after leaving government service.

The votes followed a debate in which numerous House members sharply criticised he Pentagon's procurement system and the ethics of defence contractors, many of which are currently under criminal investigation for contracting abuses. The House plan must now be reconciled in conference negotiations with the Senate, which adopted a milder version last month.

Many members cited such notorious cases at the $7,622 (£5,863) coffee machine and the $640 toilet seat cover, but the main focus of the new penalties would be on companies that charge for items like entertainment, lobbying and promotion in addition to the actual cost of weapons systems.

Recent House hearings revealed that General Dynamics, the third largest U.S. defence contractor, had billed the Government "overhead" charges for such items as baby-sitting, kennel fees for an executive's dog and a week-end trip by the company chairman by corporate jet.

The House plan would make individuals liable to fines of up to $250,000 for knowingly submitting unacceptable claims and up to five years in jail for a second offence. Companies could be fined up to $500,000.

Reflecting a widespread view in Congress, Mr Charles Schumer, a New York Democrat, said that publicity given to items like the coffee machine had undermined public support for defence spending in much the same *way that news stories* in the 1970s about "Welfare mothers drinking vodka" and driving Cadillacs had undermined support for programmes to help the poor.

Bank rules tighter for Argentina

BY WILLIAM HALL IN NEW YORK

U.S. BANK regulators have tightened up the rules for accounting for Argentinian interest payments in a move which accountants believe could have a significant long term impact on U.S. bank earnings from the financially troubled country.

U.S. bankers, who have lent a total of $8.5bn (£6.5bn) to Argentina, were yesterday trying to determine the significance of a confidential directive issued after a regular meeting of the Inter-Agency Country Exposure Review Committee (Icerc) earlier this month.

At the meeting U.S. bank regulators decided not to downgrade U.S. bank's Argentinian debt, although many independent analysts argued that there were good grounds for classifying Argentinian debt as at least "substandard," if not "value impaired." The latter classification would have required U.S. banks to establish expensive loan loss provisions.

It is understood that U.S. bank regulators decided to defer a decision on reclassifying Argentinian debt until the autumn because they did not want to take any public action which might imperil Argentinian support for a long term rescue package to salvage U.S. bank loans. On Tuesday Argentina paid a further $320m to foreign banks bringing its public sector interest arrears current to February 28 1985.

Although U.S. bank regulators took no direct action they have issued a confidential letter which says that "banks should utilise conservative accounting treatment of interest payments received." Whilst the wording of the directive is vague regulators have let it be known in private conversation that they expect banks to take a more conservative line in accounting for interest payments from Argentina than has been the case in the past.

It appears the regulators want banks to use future Argentinian interest payments to reduce the principal of their loans outstanding or to increase their reserves for Argentinian loan losses. In both cases the impact will be to reduce their earnings from their Argentinian loans.

U.S. bank auditors who have had discussions with the regulators say that it could have a significant impact in deferring earnings from Argentinian loans. In the short term the impact will be limited because most Argentinian loans are on a "non-accrual" basis and banks are not taking interest into their profit and loss account.

UN charter celebration marred by disharmony

By Our Foreign Staff

EAST-WEST disharmony, which has characterised UN debates for four decades, continued yesterday as representatives from more than 100 nations met in San Francisco to commemorate the 40th anniversary of the signing of the UN charter.

Mr Andrei Gromyko, the Soviet Foreign Minister, said that most member nations backed Soviet policies, and he blamed Washington for obstructing the organisation's goals.

"The world has now got accustomed to lending an attentive ear to every statement, every word, uttered in Moscow for the benefit of peace," he said in a speech issued in the Soviet capital.

He said the Soviet Union and its allies had made it possible to breathe life into the UN, "which was for long frozen by the icy winds of cold war . . . but the UN potential is still far from being tapped in full . . . the culprits are the forces fuelling the arms race, the forces of militarism and their address is well known."

His speech *followed* an incident earlier this week in which a U.S. representative walked out of a Moscow meeting accusing his hosts of insulting Washington. On Wednesday, Mr Vsevolod Oleandrov, the Soviet representative to the UN, objected to remarks by Mr Vernon Walters, Washington's representative, in an anniversary speech.

In San Francisco, Sr Javier Perez de Cuellar, the UN Secretary General, honoured three of the original signatories to the charter who attended the ceremony. They were Mr Charles Malik of Lebanon, Mr Harold Stassen of the U.S. and Mr Carlos Romulo of the Philippines.

Frank Gray, recently in Havana, assesses Soviet influence

Cuba goes to market in the West

"EL BUNKER" is the nickname Cubans have appended to the large concrete enclosure in the Havana suburb of Miramar which has served as the Soviet embassy in Cuba since May 8.

Its official opening was supposed to mark the 45th anniversary of the victory over fascism, but for Cubans "El Bunker" reminds them only of one thing—the military compound in neighbouring Nicaragua of the hated dictator, Anastasio Somoza, before his overthrow in 1979.

The embassy is one of the largest office structures in Cuba. Architecturally, it bears no resemblance to the numerous villas used as foreign embassies that surround it. As such, many Cubans regard it, somewhat satirically, as a perfect symbol of the commanding and incongruous Soviet presence in America's back garden.

That presence is stronger than ever. Last year, for example, 86 per cent of Cuba's trade was tied up with the Comecon nations of Eastern Europe. The lynch-pins of the arrangements were the sale of most of Cuba's sugar to Comecon at prices six to seven times those or the currently-low world market value, and the guarantee by the Soviets to meet Cuba's energy needs. The value of that trade was worth pesos 908.1m (£763m) last year.

Without such a deal, there is little doubt that the revolution of Fidel Castro Ruz, now in its 26th year, would have foundered.

The trade-off, of course, is Soviet military influence in Cuba. This amounts to more than 2,000 Soviet military advisers and between 6,000 to 8,000 civilian personnel, all of whom mean a considerable underwriting of Cuba's defence requirements.

Yet Cuban Government officials are clearly signalling that Soviet economic influence has peaked and will now be subjected to a small but steady displacement for the rest of the decade.

The Banco Nacional de Cuba couches the reason in friendly language. Its recent annual report said Cuba wanted to complement its Comecon trade with more trade activity with the West. Such trade "expresses Cuba's willingness to maintain an open approach to relations and trade with the whole world and honours the confidence bestowed on Cuba by its creditors."

President Castro, however, has made the point more sharply, pointing out that Cuba must boost its imports from the West of raw materials, spare parts and medium-range technology if it is to meet its domestic economic objectives. Increased convertible currency earnings would have to be generated through an accelerated export programme if these objectives were to be met.

The Government is seeking co-operation from creditor countries in achieving the following: Improved access to international markets through liberalisation of the Generalised System of Preferences; accelerated promotion of the tourism industry, which has earned it $500m in hard currency in the past decade; improved access to Western know-how in order to modernise domestic industry and boost export potential.

It needs to tap into more Western export credits if it is to increase ties with the West to a targetted 20 per cent of overall trade, up from 14 per cent last year.

The Banco Nacional is requesting Western creditor Governments to provide $232m annually in export credits, with commercial banks being asked to provide a total of $928m in short-term credits to the end of this year, Western bank officials say. About $348m of thais latter total would pay for imports.

The main impediment to more export credits, however, and an even faster growth of Cuba's trade with the West is its indebtedness to Western creditors.

In September 1982, Cuba began renegotiating some $1.2bn, or about one-third, of its Western debt. It has been a model of correctness in meeting its repayment commitments, and hopes this record will ease Paris Club requirements that it goes slow on hard currency imports.

Fidel Castro's attacks on the IMF contrast with diligence in meeting debt payments and a desire to expand trade outside Comecon

The Government's behaviour provides a curious contrast to President Castro's attacks on the International Monetary Fund, and his calls for Latin American neighbours to refuse to pay their creditors.

Cuba must proceed carefully in implementing its broadened trade programme because of its growing deficits with both Comecon and Western nations.

Last year, its total trade with Comecon was worth Pesos 10.9bn, with imports at Pesos 6.05bn, compared with exports of Pesos 4.8bn, for a deficit of Pesos 1.16bn. The 1983 deficit with Comecon was Pesos 649m.

Trade with the West totalled Pesos 1.7bn, with exports at Pesos 569.3m and imports at Pesos 1.14bn, for a trade deficit of Pesos 579m, up sharply from the 1983 deficit of Pesos 45.8m.

The Banco Nacional report envisages a 7 per cent increase in non-sugar exports of 20 per cent this year over last year and an increase to the convertible currency areas by roughly 30 per cent.

The attainment of those export targets in the short-term remain formidable. Cuba's non-Comecon sugar exports (about 60 per cent of its 8m tonnes annual production) remain seriously hampered by the low world price of the commodity.

Export opportunities also are curbed by Cuba's non-membership in the Lomé Convention, which gives Third World countries preference in selling into the EEC. Cuban officials agree the Lomé Convention issue should be examined again, but the country's ability to move on this is limited by its membership of Comecon.

When Spain joins the EEC next year those exports for which Cuba is well known, such as cigars and rum, will be subjected to stiffer tariffs. Spain is the only major Western market with whom Cuba enjoys a trade surplus.

A joint venture law was passed in 1982 but remains comparatively dormant due to Cuban uncertainty about how *far to allow foreign* participation in nationalised industries.

The Soviet Union now takes about half Cuba's annual nickel production of 40,000 tonnes but *opportunities to expand* Western exports through increased production at Comecon-financed mills are far behind schedule.

A more optimistic picture emerges from fishing, *which* has been a source of substantial investment in the last decade. Cuba with a fleet of 298 vessels, has one of the largest fishing fleets in the Caribbean. The Government also has set a sales target of 1.3m tonnes of citrus fruit for 1985, half of which is for export. It has displaced tobacco as Cuba's second largest agricultural goods export.

The Government's numerous export agencies are putting great effort into promoting the country's manufactured goods, mainly agricultural and medium-technology industrial goods, but the market potential for these is mainly within the region or in other Third World countries.

WORLD TRADE NEWS

Japan consortium in line for Bombay port contract

BY JOHN ELLIOTT IN NEW DELHI

A CONSORTIUM of seven Japanese trading bouses and construction companies is in line to win a major Rs 1.1bn (£73m) contract on Bombay's Nhava Sheva Port project, defeating international competition by a wide margin.

A British consortium of Pauling-Costain is among the unsuccessful bidders, along with Hyundai of Koree which was originally expected by Indian experts to undercut all the opposition.

The current international shortage of construction work brought in bids considerably lower than had been expected. The consulting engineers, Howe India, had estimated the contract value would be Rs L6bn.

But the combined strength of virtually all Jepan's leading contractors produced the lowest figure of Rs 1.1bn. The companles involved are led by Mltsui and Company. The others are Penta - Ocean, Shimizu, Kajlma, Tesei, Okura, and Mitsubishi Corporation.

Next lowest was Hyundai with a bid of Rs1.3bn. Most of the rest of the tenderers, including Constain-Pauling, were between Rs1.4bn and Rs1.5bn. The bighest was Spie Batagnolle of France at over Rs2bn and the second hlghest was Skanska of Sweden.

The contract is two years behind schedule, partly because the World Bank, which is putting up about Rs3bn of the Rs5bn total project cost, insisted on the size of the project being scaled down by obout 25 per cent.

Then a French company initieted lengthy legal proceedings after it was disqualified from the tander lists.

The initial contract, for which the Japanese consortium has been recommended to the World Bank, includes constructing 600 metres of container berths and 700 metres of bulk and other berths as well as roads and paved areas.

Other contracts on the project to go out to tender soon, include Rs1bn worth of mechanical and civil engineering work for bulk handling facilities, Rs300m for container handlIng facilities, and Rs80m for an electrical power system. A Rs300m dredging contract will follow later.

Singapore pledges 'piracy' laws

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE has assured Britain that it will introduce legislation to counter the plracy of muslc, software and books, but it could take years, according to Mr Paul Channon, the visiting UK Minister for Trade, who raised the issue in talks with ministers and officials in the island state yesterday.

Mr Channon is on the second leg of a 19-day visit to South-East Asia, organised as a follow-up to Mrs Margaret Thatcher's whirlwind tour in April. He arrived in Singapore on Tuesday night from Thailand, and goes on to Indonesia today.

Mr Channon also confirmed yesterday that he had given to the Thai Government details of Britain's ald offer—believed to amount to £20m—in support of e bid from a consortium led by Leyland Vehicles for a contract worth £385m. The Thai Cabinet, he said, would be coming to a decision on the contract soon.

A separate consortium, linking British Rail Engineering and Leyland Vebiclas is elso close to a sale of its Railbus to the Thai railway authority. Similar deals are being sougbt in both Indonesia and Malaysia, and Mr Channon will also be promoting these.

The issue of protection for "intellectual property" is probably the single most important area of potential friction in otherwise harmonious Anglo-Singapore relations.

Singapore, a major centre for the production and export of pirated software and music, is currently drafting a copyright law, but enactment is still a long way off.

This is despite vocal pressure from the U.S. Government and U.S. industrial interests and, as Mr Channon himself emphaaised, despite the fact that such legislation is in the interests of Singapore, which bas asplrations to be a computer software centre.

The minister also discussed prospects for a new round of Gatt talks when he met Dr Richard Hu, Finance Minister and acting Trade Minister, and Mr Cbandra Das, heed of the Trade Development Board. He also met Mr Philip Yeo, bead of the National Computer Board.

Argentina warned on Iraqi deal

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA has been warned hy one of its major trading partners, Iran, that it risks losing major export orders if it goes ahead with a $120m (£100m) arms sale to Iraq.

But the warning appears to be not the only reason behind the Argentine Government's decision to postpone indefinitely the sale of 20 Pucara ground-attack aircraft with the option on 40 more whlch has been the subject of negotiations with the Iraqis for at least the last two months.

Iranian trade officials sald in Buenos Aires that they had notified the Government of Raul Alfonsin that commercial relations with Tehran would suffer serious damage, lf the Pucara contract was signed.

It is understood that the "damage" would include the cancellation of further purchases of Argentine commodities particularly cereals which last year totalled nearly $600m.

At present, the Argentine National Grain Board bas an order from Iran for the supply of 750,000 tonnes of wheat and 720,000 tonnes of malze for delivery before March 1986, with options on additional sales of 150,000 tond 120,000 respectively.

An Argentine trade mission is expected in Tehran over the next month to negotiate further orders for other agricultural products such as rice and soya.

The Iranians have also expressed an interest in countertrade dasls involving the sale of petroleum to Argentine to make up for a temporary shortfall in the country'a oil production.

The more ideological members of the Alfonsin camp have argued strongly that to sell arms to a war zone would be an open violation of the country's neutralist stance.

A close aide of Sr Dante Caputo, Argentina's Foreign Minister, confirmed on Monday that the minister was against selling military equipment to sensitive zones such as the Gulf.

Leading the pro-Pucara camp have been officials and deputies linked to the northern province of Cordoba, and the Air Force. This lobby has clalmed in recent weeks that the $120m deal is needed as a vital life-line for the domestic arms industry.

The Air Force's industrial complex near Cordoba, the Fahrica Militar de Aviones (FMA) has practically ground to a halt over the last year as a result of the Alfonsin Government's drastic curbs on defence spending and a lack of an officially-backed export policy.

Export curb Bill clears hurdle

BY NANCY DUNNE IN WASHINGTON

THE long-delayed legislation governing U.S. export controls finally passed a House-Senate Conference Committee late on Tuesday—more than a year after the two chambers deadlocked on the controversial Bill.

The Export Administration Act (EAA) now goes back to both Houses then the President for an expected final approval.

Since last March, when the last EAA expired, the Reagan Administration has been able to control strategic trade only because the President invoked powers granted him under the International Economic Emergency Powera Act.

Meanwhile, much of the controversy over tha Act has been resolved through administrative decisions.

Tbe strife between the Commerce Department and Pentagon over export licensing jurisdiction was settled early this year when the President empowered the Defence Department to monitor licensing of some high-technology exports to 15 non-Communist countries.

However, the Commerce Department retained its authority to grant most licences. It has also moved on a policy of easing conrols on low-level computers wbile tightening the regulation of more sophisticated technology to tha Soviet bloc.

The nation's European trading partners have been most concerned about three provisions in the EAA: new, but carefully-hedged, powers given to the President to impose import controls on individnal companies and countries found to violate U.S. strategic trade rules; the President's power (now more restricted) to impose embargoes; provisions for extra-territorial powers claimed by the U.S. Government over its trade.

Most analysts agree that lt is in the application of these powers that the U.S. export control policy will ha measured.

Canute James previews next week's Caribbean economic summit

Caricom looks for trade life-line

THE HEADS of Government of 12 Caribbean countries will meet in Barbados next week in an effort to breathe life into the faltering Caribbean Economic Community (Caricom).

Many of the community's Prime Ministers are frustrated at the lack of progress on economic co-operation which has been compounded by the failure of most countriea to introduce trade agreements agreed at last year's summit.

The last summit in the Bahamas ended with what some leaders described as a breakthrough in efforts to integrate the Caribbean's weak economies.

Since then, bowever, contimuing differences and open rows about trade policy have done little to encourage confidence in the viability of the 12-year-old community, which has a market of 5m.

High on the agenda next week will be the row between Trinidad and Tobago and other communlty members about trade restrictions: in essence, the Caribbean community aims to liberalise commerce between members, giving preferential access to goods produced in Caricom countries.

Amid continuing charges and counter charges of violations of the "spirit and letter" of the community treaty, Trinided and Tobago recently imposed an 18-month ban on garment imports.

Mr Bernard St John, Prime Minister of Barbados, is expected to put the issue bluntly to Mr Georga Chambers of Trinidad and Tohago. Several Barbadian garment factories have bad to close or reduce operations because of Trinidad's policies.

Trinidad and Tobago, in order to protect lts dwindling hard currency reserves, had earlier put all imports on licence. This move was followed with the imposition of a 12 per cent stamp dnty on imports.

In the face of felling trade within the community, the political leaders bad agreed on a common exteroal tariff on lmports from outside the group. Trade between community members has been felling, from $555m (£437m) in 1982, to $481m in 1983.

The community had agreed on a list of "sensitive goods" which needed protection, including steel, cement, fertilisers, automotive parts, processed food, and a range of consumer durables.

It is indicative of the problems which Caricom faces that the common tariff was to have been implemented last January 1. It was not. Trade ministers later decided to implement the measures at the beginning of June, but there has been no movement by most countries.

The aim of the measures, decided by a Caricom summit in the Bahamas last July, is to belt e slide in regional commerce which is hitting business sectors in several member countries. St Lucia, for example, has made no move towards operating the common external tariff.

Jamaica, the largest market in the community, bas dismantled all import restrictions, but tbe country is suffering a chronic shortege of hard currency to finance imports.

The Prime Ministers will find little comfort in tha fact that there bas been agreement on an agricultural protocol which allows free trede in farm products within the community. But thera bas been little progress on a similar arrangement for garmants.

The community haa also failed to find ways of rehabilitating a $100m trada payments facility, which hes financed significant quantities of regional commerce.

Tha facility bas been moribund for the past 18 months because lt needs new financing. Tbere apparently has been no reward for the communlty's efforts to attract financial support from international agencles.

Much hangs on the success of the summit in solving the ontstanding problems. The Caricom countries — the Bahames, Jamaica, Antigua, St Kitts, St Lucia, Dominica, Montserrat, Grenada, St Vincent, Barbados, Trinidad and Tobago and Guyana—have been experiencing growing economic difficulties as tbe traditional pillers of their economies heve run into trouble.

Light manufacturing such as the produtcion of garments and footwear, food processing and some industrial cbemicals, has been the beckbone of efforts to expand economic bases. The incentive of preferential access to a neighbouring markel has given birth to hundreds of small faclorles, employing en average of 200 workers. For them, success next week must be more than a diplomatically-worded communique.

UK NEWS

Norway and Denmark fight truck tax war

By Hilary Barnes in Copenhagen

A TRUCK tax "war" has broken out between Denmark and Norway following a decision by Denmark to impose e tax of DKr 1.5 per kilometre on Norwegian lorries using Danish roads.

This will cost about DKr 500 (£35) for a Norwegian lorry travelling from a north Jutland ferry terminal to the Danish border.

The Norwegian Government responded on Tuesday by announcing that it will increase the existing kilometre tax on Danish lorries using Norwegian roads and use the proceeds to reimburse the Norwegian truckers for the Danish tax.

The dispute is a long-standing one and arises from the difference in the vehicle tax systems in the two countries.

The Danes use a weight tax on vehicles registered in Denmark, the Norwegians use a kilometre tax of N.Kr2 per kilometre, which in principle applies to all lorries, domestic and foreign.

This means that Danish lorries on trips to Norway pay tax, while the Norwegians use the Danish roads free of charge.

The Danish Government has tried for years to persuade the Norwegians to exempt Danish lorries from the tax. Lorries from several Continental conntries, including West Germany, are already exempted.

The new Danish tax, from July 1, was tmposed in exasperation at tha refusal of the Norwegians to meet the Danish demands, which the Danes suspect is simply because the Danish lorries are the main competitors of the Norwegian trucking companies in export business.

Denmark's Tax Minister, Mr Isi Foighel, said yesterday that be hoped a sensible agreement would finally be reached.

There appears to be a limit to the tax which the Danes could lmpose without causing the Norwegians to bypass Denmark altogether by sending their trucks on ferries with a direct connection to West Germany.

Bechtel shares in C$2.1bn power order

By Bernard Simon in Toronto

A CONSORTIUM led by Kumagai-Gumi of Japan and the Canadian subsidiary of Bechtel, the U.S. construction group, has won the main construction contract for the C$2.1bn (£1.2bn) Limestone hydro-electric scheme on the Nelson River in North-East Manitoba.

The C$236m contract incldes construction of a powerhouse and dam for the project, which will ultimately supply 1,200 megawatts to ntilities in the U.S. and Canada.

Power generation is dne to start in 1990. The Limestone scheme is understood to be the largest construction project under way in North America.

Mr Marc Eliesen, chairman of the Manitoba Hydro-Electric Board, said that the Kumagai-Bechtel bid was significantly lower than original cost estimates, reflecting fierce competition among construction compaules.

Low bids for a number of the scheme's contracts have cut the cost of the project from more than C$2.5bn to C$2.1bn.

Bechtel and Knmagai have considerable experience in Canada. Kumagai la belping to build the Roger's Pass railway tunnel through the Rocky Mountains.

MP puts squeeze on 'risky' lemons

By Ivor Owen

BRIGHT and shiny lemons might be a new yellow peril. Mr Simon Hughes, a Liberal MP for a London constituency, warned the House of Commons yesterday.

He said research carried out by London University had established that some lemons being sold in London were a potential health hazard because they had been sprayed with a fungicide to make them "yellow, shiny and appealing."

Mr Hughes explained that the internationally accepted safety limit for the fungicide was 10 parts per million. In the case of the lemons examined by London University, the ratio had been 200 parts per million.

He suggested that MP's who liked n slice of lemon in their gin and tonic might find themselves affected by an unpleasant chemical reaction as the alcohol dissolved the wax and released the fungicide into their drink.

Mr Hughes joined with other MP'a in pressing for more information to be made available to the public about the dangers associated with chemicals and sprays used on foodstuffs.

The present unsatisfactory position, he said, had been demonstrated by an official at the Ministry of Agriculture, who, when asked about the constituents of the fungicide used on the lemons, replied: "I am sorry. We cannot tell you. It is governed by the Official Secrets Act."

Mrs Peggy Fenner, Under-Secretary for Agriculture, quickly reassured her colleagues on both sides of the House.

She said it would be necessary to drink "large quantities" of gin and tonic containing slices of lemon of the type described by Mr Hughes before any adverse effect was suffered. To laughter, she added: "They would be much more at risk from cirrhosis of the liver."

Mrs Fenner said amendments to the Food and Enviroment Protection Bill tabled by the Government would enable the public to be provided with adequate information, while observing the need to preserve the necessary degree of commercial confidentiality needed to protect the interests of the manufacturers of the products concerned.

She was confident that the Bill would make it possible for the "overwhelming majority of inquiries" about the contents of sprays and drugs used on foodstuffs to be satisfied.

Royal buys Lloyd's Life Assurance for £94m

BY ERIC SHORT

ROYAL INSURANCE, one of Britain'a largest composite insurance groups, yesterday emerged as the successful bidder for Lloyd's Life Assurance.

It is paying £94m in cash for the unit-linked life company put up for sale in February by the committee of Lloyd'a of London, the insurance market.

Royal is financing the transaction from its existing cash resources and banking facilities. It is not making e vendor share placing – financing the purchase by selling new shares at a discount to selected institutions.

Lloyd'a Life was established in 1971 to provide members of Lloyd's with the chance to participate in long-term life and pensions business – a field in which they cannot operate directly. However, the success of Lloyd'a Life, with funds of over £300m under management, has posed problems for the members.

The value of shareholdings held by underwriting agents were starting to exceed the 1½ per cent limit, while future development of Lloyd's Life could well require further capital thet the existing shareholders were not prepared to put up.

The committee of Lloyd's therefore decided to sell the company. Morgan Grenfell, the merchant bank which handled the sale, drew up a short list of six potential buyers. It is believed that Royal was the only UK institution on that list.

In general, UK companies have refused to participate in bidding for those UK life companies up for sale in recent years, claiming that the sellers are asking "fancy prices" for the deal. Indeed, the last accounts of Lloyd'a Life for the year to September 30, 1984, valued the company at £46m.

Mr Alan Horsford, Royal's chief executive, emphasised that it was paying a fair price for Lloyd's Life. Royal had been given access to all records and accounts of the company and been able to interview freelyts management.

"We liked what we saw of the company, its management, its marketing and its products," stated Mr Horsford. "The acquisition fits in with Royal's strategic aim of expanding its life assurance operations."

Royal has been expanding its UK life operations over the past few years with particular emphasis on the unit-linked sector. It has funds amounting to £2.3bn. The acquisition of Lloyd's Life will just put the group into the top 10 largest life companies in the UK.

The intention is to operate Lloyd'a Life as a separate company under the existing management, although the name will have to be changed.

The deal will dilute shareholders' earnings in the short-term. However, the market reaction was generally favourable and the 10p drop in the share price to 645p reflected the general market weakness.

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TGWU to continue labour law defiance

BY BRIAN GROOM

BRITAIN'S largest trade union, the left-led Transport and General Workers' (TGWU), yesterday overwhelmingly reaffirmed its policy of defying the Conservative Government'a labour laws. It was made clear, however, that the policy would continue to be applied pragmatically.

Mr Ron Todd

Mr Ron Todd, general secretary-elect, drew a standing ovation from the union'a biennial conference for an impassioned speech calling on the TUC to stand by its policy of opposition decided at a conference at Wembley, north-west London, in 1982.

"We are not down and out in the second round by any means. We are still fighting, our defences have held up, we have lessons to learn and fights to come, but we have no reason to renege on Wembley," he said.

The conference, held at Bournemouth on England's south coast, called for a future Labour government to use retrospective legislation to return all court fines and sequestrated property taken from unions under the labour laws.

It rejected calls for mandatory ballots on closed shops (100 per cent union membership of a workforce) and before strikes, and for obedience to the law.

Yesterday's decision leaves the TGWU out of step with other unions which are making moves towards changes in formal policy. The left-led National Union of Railwaymen decided on Tuesday to hold ballots before strikes.

Inpractice, the TGWU is itself taking a flexible line, as Mr Todd emphasised yesterday. Sections of the membership have held ballots on strikes and closed shops, as they are entitled to do under the union's rules.

Mr Todd pointed to the union's leading role in ensuring that political fund ballots under the 1984 Trade Union Act took place, and its decision to tread carefully enough after last November's Austin Rover strike to avoid court sequestration of its assets at a time when the miners were relying on the TGWU for financial help.

But he said: "There is an essential limit to flexibility. You cross it when you let the employers and their Government decide how this union is to be run."

Mr Todd said the union would defend itself in court against claims for damages

Westland chief resigns

SIR BASIL BLACKWELL has stepped down as chairman of Westland, the troubled UK helicopter manufacturer.

His place has been taken by Sir John Cuckney, chairman of John Brown, the engineering group and a veteran of many company rescues.

Sir Basil, a director of Westland for the past 15 years but chairman only since February, said he had offered his resignation to the board in the interest of the company and its 12,000 employees.

He added, however: "This was not my decision. It was the decision of those on whom we depend for money." He declined to elaborate further on whether pressure had been brought by Westland's bankers.

Westland is at present in the slipstream of an attempted £89m takeover bid from Bristow Rotorcraft, a specially-created company set up by Mr Alan Bristow, founder of Bristow Helicopters, the helicopter operators.

Earlier this month Bristow said it would not go ahead with the bid, apparently because Westland's financial position was worse than Bristow first thought.

On Tuesday, Westland said it had called in accountants Price Waterhouse to review its operations.

Sir Basil's resignation was seen by many in the City of London as a pre-requisite for re-establishing Westland's badly-dented credibility.

□ HOVERSPEED, the cross-Channel hovercraft operator, is well in line for its first profit since its formation through a merger three years ago.

First half losses, traditionally high for ferry operators as a result of the slack winter season, were sharply down. The outlook for the critical months of July and August was encouraging and the company was "right on target to make a profit," Mr Gerry Draper, deputy chairman, said.

Sealink, the cross-Channel operator bought last year by Bermuda-based Sea Containers for £66m, recently said its first quarter loss was $10.3m (£15m), some $1.4m worse than forecast.

□ THE GOVERNMENT had a majority of 168 on the second reading of the European Communities (Finance) Bill despite many abstentions and a rebellion by 10 Tory MPs who voted with the Opposition.

The Bill opens the way for Britain to join other EEC member states in increasing the Community's "own resources" by increasing contributions from 1 per cent to 1.4 per cent of value-added tax receipts.

□ BRITISH Petroleum (BP) appears to have made a significant gas discovery off the Irish Coast. It said that the well drilled in May to a depth of 1,370 feet had produced "encouraging" flows of gas at a rate of 13.7m cubic feet a day. The well, less than 20 miles from tha Cork coast, is only 12 miles from Ireland's only other commercial gas field et Kinsale Head.

□ APPROVAL FOR up to 20 experimental community radio stations throughout the UK is expected to be announced early next month by Mr Leon Brittan, Home Secretary.

The aim will be to see whether a new "third tiar" of radio serving local communities or communities of interest such as ethnic minorities can be viable without damaging existing local radio stations.

Cold comfort at Lloyd's

The London insurance market has made clear that it will not launch a financial lifeboat to rescue underwriters caught up in one of its worst scandals. John Moore reports.

IN THE Lloyd's insurance market yesterday trading was halted in the underwriting room for 70 minutes. It was no ordinary occasion. Lloyd's was holding a general meeting of members and near the top of the agenda was the controversial PCW affair, one of the worst financial scandals to emerge in London's business community.

The message from Mr Peter Miller, the market'a chairman, did not offer much comfort to the 1,525 underwriting members whose affairs are managed by the PCW agency, which is now known as Richard Beckett Underwriting Agencies. Underwriting members are facing £130m of underwriting losses in addition to £40m of their funds that have been misappropriated by two of the agency's former managers.

"May I repeat on behalf of us all, that we share the outrage of the members upon whom n theft of £40m was perpetrated – an outrage not only of personal loss, but also of the abuse of the trust which so many of us placed in certain persons running those syndicates (into which the 1,525 members were grouped)," said Mr Miller.

"But it is not correct to argue from the particular to the general and to stigmatise Lloyd's as an institution that cannot be trusted," he told the members. "That would be totally to ignore the dedicated hard work of thousands of people who work in our society to the great benefit of our country and the members of our society.

"The hard fact remains that the incompetent or even wrong-doing agent is still the agent of the name [the underwriting member]."

Would Lloyd's mount a rescue for the stricken underwriting members? That was the question uppermost in the minds of those present at the meeting. Already in the rule-making council chamber of Lloyd's, the question of a rescue is causing a considerable degree of anxiety.

In Lloyd's comparative recent history there are several instances whereby underwriting members have been helped by the market after irregularities surrounding their affairs have been discovered.

No "rescue" deal was forthcoming. "The one thing the council cannot do is to provide some sort of so-called financial lifeboat and depart from the principle that we each individually have unhappily, they occur," said Mr Miller.

In making the statement, he sought to support the principle of unlimited liability in the market in which underwriting members are each responsible to the full extend of their wealth for any losses that arise.

He mapped out Lloyd'a further course of action in handling the PCW affair. A new fact-finding inquiry would be appointed to probe how the members' affairs have been looked after by the Richard Beckett agency since the eruption of the scandal in 1982. The affairs of the members are to be looked after by a new independent underwriting agency, headed by Sir Ian Morrow.

Lloyd's is also softening its line on the question of the solvency test for the underwriting members. Each year, underwriting members have to demonstrate that they have enough personal wealth to meet their insurance liabilities. A deadline is looming for the solvency test requirements – July 31. Mr Miller said that unless the underwriting members met the solvency test requirements, Lloyd'a would have no option other than to suspend them from underwriting.

Funds would be earmarked from the central fund, designed to protect policyholders in the event of any defaults by underwriting members.

But Lloyd's would not "drive finally into bankruptcy" those who made a genuine attempt to meet their obligations. But Lloyd's may give the members time to protect their interest and take futher action before they are asked to finally pay up.

"Any person who wishes to continue to trade as an underwriter must arrange their affairs so as to pass the Lloyd's solvency test," said Mr Miller.

MPs defend immigration rules

BY RICHARD EVANS

WIDESPREAD criticism of Home Office immigration procedures is not supported by the evidence, according to an all-party committee of MPs.

The Home Affairs Committee, after investigating the administration of immigration control, commented in a report published yesterday: "We found plentiful evidence of improved organisation and of the department responding constructively to well founded criticism."

The report says that was the justification for the emphasis placed on the instances of low standards or improper conduct that were found.

The MPs were not convinced that the new responsiveness they had found had been fully taken into account by the department's critics.

"At the same time, it would be wrong to be complacent about an organisation of great size and complexity which provides many visitors with their first impression of Britain ... the department must continue to strive for the elimination of bad practices," the report states.

Among the recommendations are: the revision of the complaints procedure to include independent participation; an increase in the number of immigration officials from ethnic minorities; better information for visitors; and improved detention facilities at Heathrow airport, London.

The UK Immigrants Advisory Service last night welcomed the report, particularly the recommended introduction of an independent element into complaints procedures.

Sixth Report from the Home Affairs Committee; 1984–85; Immigration and Nationality Department of the Home Office, SO, £8.80

FINANCIAL TIMES

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3i
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THE CREATIVE USE OF MONEY.

TECHNOLOGY

EDITED BY ALAN CANE

All pull together for more powerful processing

Teamwork can produce faster computing, reports Peter Marsh

A POWERFUL computer called Butterfly, developed mainly under contracts for the U.S. Department of Defense is about to go to work, so its American inventors hope, in a variety of commercial applications including telecommunications, factory automation and intelligent office equipment.

The 15-year development of Butterfly has been the result of a total research effort worth about $25m, according to the estimate of Mr Gary Schmitt, manager of the project at Bolt, Beranek and Newman, a company in Cambridge, Massachussetts.

A large proportion of the cash has come from the Defense Advanced Projects Research Agency (Darpa), an agency of the Pentagon. "The Darpa money has been the driving force behind the project," says Mr Schmitt, whose company is starting to evaluate the commercial markets for the machine.

Butterfly is an example of what is called a parallel processor. Whereas virtually all computers in current use digest instructions serially—one at a time—parallel processors work on many sequences of calculations at the same time.

The trick is to mesh together a number of processing chips—Butterfly can include up to 128—so that they work away on separate computations but at the same time keep in touch with what amounts to their own telecommunications network.

The network that keeps the chips in contact uses a technology called packet-switching in which small packages of data are sent in pulses along wires.

The Cambridge company played a key part in the development of packet switching in the late 1960s. In another contract for the Pentagon, it produced a telecommunications network, called Arpanet, that used packet-switching technology to link military and scientific centres.

Bolt, Beranek and Newman formed a subsidiary called Tenent (later sold to GTE) that in the 1970s pioneered applications of the technology in commercial data networks.

Linked up by their miniature packet-switched network, each processing unit in a Butterfly system (the computer uses M68000 chips made by Motorola) works on a specific computational problem. Sets of software commands embedded in the system co-ordinate each chip and makes sure it does its job properly, just as a musical conductor would seek to supervise the disparete elements of an orchestra.

The software ensures that individual processors given a particularly difficult problem hand out sections of the work to counterparts that are less overloaded. In a similar way, colleagues in an office would share out chores to prevent one person from becoming deluged with clerical tasks.

As a result, the total system is not slowed down as a result of hold-ups in one element of the computer.

Providing all the processors work in harmony, the result is very fast computer speeds provided relatively cheaply. A Butterfly that comprises 100 chips operating in parallel and which costs $300,000-$400,000 can digest 50m computer instructions a second, says Mr Schmitt.

To obtain a similar amount of computing power based on conventional machines that operate serially could cost about 25 times, according to Mr Schmitt's calculations.

Darpa has funded the work both to prove that the technology on which Butterfly is based can work and also for specific items of hardware that Bolt, Baranek and Newman has delivered as part of its contracts. Over the next few years, the Cambridge company is due to provide the Pentagon agency with 10 Butterflies.

Darpa will use some of these in its $150m-a-year Strategic Computing Initiative, which aims to boost the development of novel computing techniques for a mixture of military and civilian goals (see panel).

The ownership of the technology, meanwhile, remains with the Cambridge company, leaving it free to exploit Butterfly know-how in commercial applications. "The arrangement with Darpa is of mutual benefit," says Mr Schmitt.

Mr Schmitt says that Butterfly should appeal to a variety of commercial customers which need large amounts of computing power. These include companies that are devising vision systems for inspection of goods in manufacturing. In such hardware, computers have to interpret very quickly rapid sequences of images on a TV screen.

Another application is in artificial intelligence, or techniques to give computers reasoning powers approaching those of people. In this, high-speed processing is required for tasks such as language translation or sorting of information in big data bases.

So far, the Cambridge company has produced 16 Butterfly machines, of which about four are in the possession of Darpa. The Pentagon agency, for example, has one 128-chip Butterfly with which, in collaboration with other industrial partners, it is devising software that can run on similar parallel processors.

Other Butterflies have been handed to university researchers while others are incorporated in Government communications networks (some of the military-orientated).

Pentagon backs research into parallel computers

TECHNOLOGIES to promote parallel processing are to play a key part in the Strategic Computing Initiative, a programme that the Pentagon's Defence Advanced Projects Research Agency started last year.

Darpa is spending $72m on the programme this year. The annual budget for the project, which is intended to last 10 years, is due to rise to $150m by 1987.

According to Dr Craig Fields of Darpa, the programme is intended to promote development of computers for military projects.

For instance, although there is no formal link between the Darpa programme and the Pentagon's Strategic Defence Initiative (Star Wars), companies and research institutes working on the latter may well use in their activities technologies developed under the Darpa project.

Much of the cash is to be spent under the Strategic Computing Initiative which will fund research work in companies, which will be free to divert technologies that result to commercial goals.

The computing initiative has four main elements:

- Development of parallel processing techniques. Besides Bolt, Beranek and Newman, Thinking Machines (another company in Cambridge) is working on a specific parallel processor, called the Connection Machine. The latter has up to 32,000 processors working in parallel.
- Work in artificial intelligence, for instance speech understanding, analysis of images and expert systems. The technologies could be applied to military systems that, for instance, aim to obtain useful information from a mass of data collected by sensors.
- Funding of big "demonstrator" projects that use novel computer techniques. These include development of an unmanned land vehicle that would steer itself, in which Martin Marietta is the main contractor. Texas Instruments is working on a battle management system that would enable military commanders to plot the course of engagements on land, on sea or in space with computer simulation and modelling technologies. Other applications concern interpretation of radar information and computer hardware to feed information to pilots on fighter aircarft.
- Development of specific computer-related technologies such as chip design and optoelectronics.

Why computerised design needs a common language

Alistair Guild finds industry hampered by the inability of different computers to talk to each other

THE USE OF computers in engineering design and manufacturing has brought great benefits, particularly in the car and aerospace industries.

But attempts to press ahead with this technology are being hampered by the lack of a common standard that would allow each company's computer aided design and manufacturing system to communicate directly with suppliers, clients or subcontractors which may have different computer equipment.

Now Leeds University has stepped into the growing debate on finding a common standard for exchanging data by computer by setting up a £200,000-a-year technical centre using the Initial Graphic Exchange Specification (IGES).

The aim of IGES is to enable product data to be exchanged in computer readable form between different systems. The data held in one computer is first converted into the IGES format and then translated from this into the data format required by the receiving system.

Last year, the National Economic Development Office (NEDO), which is promoting the centre, produced guidelines for the exchange of two-dimensional drawings with text. These guidelines aim to help companies get the best use of computer-based data when communicating with other divisions, suppliers, clients and subcontractors who may have different systems.

Leeds University is now extending these guidelines to include the transmission of information contained in tables, for example bills of materials, and hopes eventually to provide guidelines to cover three-dimensional models. The present guidelines have been developed for the process plant and engineering construction industries, but the centre aims to attract other sectors, such as building and construction, the motor industry and aerospace.

These sectors all have their own groups working on graphic data exchange, each with their own peculiar requirements.

ICI, one of the companies represented on NEDO's committee on computer design, does not yet exchange data with outside contractors. "We haven't wanted to risk a project because of the quality of IGES software," says Dr Tony Foord, of the company's design systems group. ICI hopes to test graphic data exchange on a small-scale project using the IGES format later this year having successfully transfarred schematic diagrams using IGES from its DOGS system to an Integraph system used by Bechtel Great Britain.

Futhermore, a group of companies from the motor industry, including Austin Rover, Birkbys Plastics, Ford, GKN, GT Tools and Lucas, has committed itself to support the framework of existing IGES standards.

But other industries have decided that IGES is not yet good enough, particularly for international scale projects. The British aerospace industry has had discussions with other European aerospace companies to formulate a common strategy for data exchange for collaborative projects, for example the A320, the latest European airbus development.

Data on the A320, running on DEC, IBM and Computer-Vision hardware is being exchanged between plants at Bristol, Toulouse and Hamburg.

"Current IGES translators are inadequate for our purposes," says Mr Barry Jackson, BAe's executive director for aircraft computing. "We have decided to use Standard d'Echange et de Transfert (SET), a French standard developed with one of our partners, Aerospatiale. Although not so widely implemented as IGES, SET provides proven software on our range of work, with more efficient use of computing resources."

BP has gone one stage further, developing its own "completely new specification" as an alternative to IGES for use in large scale projects, such as oil rig design and construction.

According to Mr Pat Harrow, of BP International's information system services department, IGES has a number of inherent weaknesses:

- Graphical information is an important but small part of the information exchanged, but IGES cannot handle specifications and design details linked to graphics.
- At present IGES cannot extend files over one tape. To handle the information associated with the 250,000 drawings used for BP's Magnus platform would require the same number of tapes.
- None of the specifications can transfer complete libraries of components.
- IGES is based on the needs of light manufacturing, car and aerospace industries, so it does not meet many of the requirements of major construction and oil industry projects.

In general, the IGES format has not been directed towards any particular industrial use. Various IGES sub-committees are working with groups in the U.S., UK, France and Germany to define "application specific" improvements.

Last year, the Information Technology Users' Standards Association was launched to try to influence standards. In the short term, the association is encouraging the use of IGES

'All we have is IGES It has got to work'

and is sending systems suppliers a questionnaire to analyse their support for IGES.

"Pressure is being put on suppliers to provide good inwards and outwards translators. But we cannot demand good translators until there is a suitable international standard and an objective way of testing implementation," says Mr Ray Walker, secretary of an action group within the association.

In the long term, the association supports the concept of a new, more comprehensive international standard for computer data exchange.

The "supporters" of IGES trace many of the unfortunate experiences with IGES to a failure by companies to analyse how their data is generated.

"There will be no universal format and exchange medium suitable for all types of data," says Mr Roger Dobson, engineering manager of Bechtel Great Britain and secretary of the NEDO committee. "Just as there is a need for telephones and the post to exchange ideas in spoken, written and illustrated form so there is a need for different formats for machine readable exchange.

"IGES specifies a format for graphical data exchange; difficulties in its use arise from interpretation of this specification and in misunderstading its application."

And he adds: "All we've got is IGES. It must work . . . it has got to work."

New link-up for IBM computers

ANY NUMBER of IBM personal computers (PCs) at different sites can be linked using a network system devised by Xionics, part of the Smiths Industries group.

Any user can then exchange information with any other, easily and instantaneously, with password security. Sites can be miles apart and the system can handle thousands of computers at once if necessary.

Up to eight PCs or compatible microcomputers can be connected to each Xionics processor box, the Micronode, which costs about $4,700. Each Micronode in turn can be connected to any number of other similar boxes by means of switching units costing about £700 each. Installation is claimed to be simple and inexpensive using private or switched telephone lines.

The networking facilities provided include electronic mail, shared filing, printing and communications services.

Xionics has recently supplied large in-house networking systems for the Cabinet Office, BP Oil, GKN, the Midland Bank and ICI. More on 01-637 8831.

Robot deal boosts sales

A U.S. company specialising in robot vision has quadrupled sales after signing a $60m contract over five years to supply expertise to an industrial robot enterprise established by General Motors and Fanuc.

International Robomation/Intelligence, whose British subsidiary is in Solihull, says the contract helped to lift sales in the past year to $2.4m. Lawrence Goshorn, president of IRI, says, that according to industry analysts, annual sales of robot-vision products will grow to $1bn over the next five years.

Design aid from Fujitsu

FUJITSU Microcomputer Systems, a UK microcomputer division of the Japanese computer company, has announced a new version of its FM16 16-bit microcomputer which can be used for computer-aided design.

Fujitsu, whose British base is in Maidenhead, Berkshire, is offering on its microcomputers Autocad and Turbocad, two sets of software for two-dimensional computer aided design.

UK NEWS

Trident seen as threat to basic defence outlays

BY KEVIN BROWN

THE GOVERNMENT'S defence policy is founded on "delusions of nuclear grandeur," Field Marshal Lord Carver, the former Chief of the Defence staff, said in the House of Lords yesterday.

Lord Carver was among a number of peers who warned during a debate on defence policy that the Government's commitment to the Trident nuclear missile programme was a threat to spending on conventional forces.

Lord Trefgarne, the Under Secretary for the Armed Forces, insisted, however, that Trident would not strain the defence budget, and that the Government had ruled out a defence review.

Lord Carver said it was "clear as daylight" that the Government would have to clarify its priorities in order to obtain the best value from the £18bn defence budget. Maintaining the effectiveness of British forces would be a constant struggle within the financial limits which the present Government, or any future administration, was likely to provide, he said.

In addition, the Government had severely squeezed the defence budget by dropping its commitment to increase spending by 3 per cent a year in real terms, and by pursuing the Trident programme. "Why does the Government obstinately persist in wasting money on the so-called British nuclear deterrent?" he asked.

Lord Carver said the justification for a strategic nuclear deterrent included in the Government's defence white paper (policy document) was "absurd." "Our ballistic missile submarines are not an essential element of Nato strategy," he said.

"Whether they are regarded as an addition to the forces assigned to the Supreme Allied Commander in Europe, or as an independent force they are superfluous and a waste of money. The essential element is the stationing of U.S. conventional land and air forces on the Continent."

Lord Boston said defence policy was bound to lead to cuts in future spending, probably on conventional forces. He said the Government's estimate of £9.25bn for the cost of Trident was conservative, and he complained that the proportion of spending projected within the UK had already fallen from 70 per cent to 55 per cent.

Record £12,000 paid for single bottle of claret

BY EDMUND PENNING-ROWSSELL

A SINGLE bottle of the famous 1811 Comet-year Lafite was sold yesterday in London to a private Swiss buyer for £12,000. It was the highest price for a single bottle of wine sold at a UK auction. A similar bottle was sold in Paris in April at a slightly lower price.

The sale yesterday by the new Anglo-American wine auction concern attracted many U.S. and continental bidders. It was remarkable for the exceptional range of famous chateau names, celebrated vintages and large-format bottles.

Best prices were paid for the older and very young top growths, but were not outstanding for middle-rank classed-growth clarets, with sale prices generally at the lower end of rather high estimates.

After a bottle of Latour 1870 made £1,450, a run of top '45 sold at high levels: Latour £2,000 (for six bottles); Lafite £1,750 (for six bottles); Mouton-Rothschild £540 (1 bottle); and Ch. Margaux £340 (1 bottle).

Pétrus continued its exceptional record with the following prices for single bottles of favoured vintages: '34 (£460), '45 (£820), '53 (£380), and '61 (£800), with cases of the young '75 and '78 going for £2,000 and £1,250.

It was the top '82s that fetched the most surprisingly high prices per case: Lafleur (£900), Mouton-Rothschild (£880), Trotanoy (£680), Lafite (£640), Cheval-Blanc (£580) and Pétrus (£1,200 for six bottles).

Corporate sector earned highest financial surplus last year

BY PHILIP STEPHENS AND MAX WILKINSON

A SURGE in company profits gave Britain's corporate sector a record financial surplus in 1984, although rising costs put profit margins on domestic sales under some pressure towards the end of the year.

Study by the Bank of England, to be published tomorrow in its Quarterly Bulletin, indicates that the gross trading profits of British companies climbed by £9.3bn to £51.5bn last year.

The result was a further increase in the share of profits in national output to 18½ per cent compared with only 13 per cent four years earlier.

Rising profits have also been reflected in a strong increase in the return on capital employed in the corporate sector. The Bank says that the pre-tax profitability of non-North Sea corporate activity averaged 7 per cent in 1984. Its highest since 1973 and double the level in 1981.

The study adds that the growth in profits reflected higher output and a widening of margins, particularly on exports. A 10 per cent fall in the value of the pound during the year provided companies with the opportunity both to increase sales volume and to widen profit margins, with export revenues rising by 15 per cent.

The Bank says, however, that the impact of sterling's fall on raw material prices and an acceleration in unit wage costs, almost certainly eroded domestic margins late in the year.

The financial surplus of industrial and commercial companies last year is estimated at £9.6bn, a record in both nominal and inflation-adjusted terms.

The study says, however, that deficiencies in the collection of statistics makes it difficult to interpret the financial behaviour of the corporate sector. Particularly puzzling is the fact that despite the sharp rise in profits, companies continued to borrow heavily from the banks.

● Leading investment fund managers in the UK earned about £450m last year.

The results, published in the Bulletin, suggest that the firms managed funds worth more than £130bn at the end of last year, of which £100bn was for UK residents.

The survey, of 128 fund managers, showed that pension funds were the main clients and that accepting houses were the most active group managers.

The Bank says that the diversification of U.S., Canadian and Japanese pension fund portfolios could bring opportunities for further expansion of fund management business to London.

● A surge in clearing bank lending in April was largely the result of increased demand for funds from leasing companies. The Bank's analysis shows that lending to leasing companies rose by £1.2bn in the three months to May.

Public funds lost in grant-aided factory

BY LISA WOOD

A PARLIAMENTARY committee which monitors public spending has criticised the Northern Ireland Department of Commerce for its failure to reclaim a substantial number of grants paid to a textiles factory which closed within a few years of opening.

A report from the all-party public accounts committee investigated the repayment of grants totalling £20.6m paid by the Northern Ireland department to Courtaulds for a new synthetic fibre manufacturing plant at Campsie, County Londonderry.

The plant opened in 1976 but because of poor market conditions ceased production in 1981 without ever reaching its employment target of 1,500. "The employment benefit to Northern Ireland from the investment of this public money was both less than expected and short-lived," said the report.

Assistance given to the factory came in three forms with different conditions attached to repayment should the factory close within a specified period. Courtaulds paid an initial request for £3m but queried a £1.8m repayment on the capital assets grant. The department then realised it had misinterpreted certain of the repayment conditions and recalculated the sum to be recovered as £8.2m but agreed to settle for £2.6m.

Later, however, after consulting the Industries Development Advisory Committee, the department raised its claim to £3.9m. Courtaulds disputed this and a subsequent settlement was reached at £2.125m.

The committee said: "We must express concern that it was the department's ambiguous grant repayment conditions which mitigated against the recovery of an appropriate proportion of the substantial investment of public funds in this project."

TSB rises in ranking of banks' net income

By David Lascelles

THE YORKSHIRE Bank held its position as the UK's most profitable bank last year. But new to second place was the TSB Group, which is due to be floated on the London stock market next winter.

In its annual ranking of UK bank profitability, IBCA, the London credit analysis company, showed the TSB rising from eighth place in 1983, measured on the basis of net income after tax to assets.

Yorkshire Bank, which is owned by Barclays, NatWest, Lloyds and the Royal Bank of Scotland, has headed the list for several years, and managed to hold its position last year despite the impact of the miners' strike.

Most of the UK's largest banks came at the middle of the list or lower down. IBCA says that the pressure on profits and capital suffered by the big UK banks last year led to unfavourable comparisons of both profitability and capital strength with the largest U.S. banks.

IBCA says that UK banks have become "the milch cows" for the Treasury because of recent tax measures

If the banks respond to urgings from the Bank of England to make large provisions against sovereign risk, it says, they should be given more generous tax allowances.

In France, West Germany, Switzerland and Sweden, the provisions recommended by the regulatory authorities are tax allowable.

UK BANK PROFITABILITY

	Net income as % of average assets 1984
1. Yorkshire Bank	1.58
2. TSB Group	0.99
3. Co-operative Bank	0.74
4. Ulster Bank	0.73
5. Williams & Glyn's	0.65
6. Bank of Scotland	0.61
7. Lloyds Bank	0.57
8. Royal Bank of Scotland	0.55
9. Clydesdale Bank	0.54
10. Northern Bank	0.46
11. Barclays Bank	0.45
12. NatWest Bank	0.45
13. Standard Chartered Bank	0.44
14. Coutts & Co	0.37
15. Midland Bank	-0.04
15. Grindlays Bank	-0.98

Source: IBCA Banking Analysis

HEARING CONCLUDED AT EUROPEAN COURT OF HUMAN RIGHTS

Government accused of being inflexible

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT, IN STRASBOURG

THE BRITISH Government was yesterday accused of turning a blind eye to the financial consequences to shareholders of the nationalisation of companies in the aircraft and shipbuilding industries.

Counsel for the former shareholders told the European Court of Human Rights in Strasbourg that the Conservative Government had compounded the unfair conduct of the Labour administration which took the companies into public ownership in 1977.

"While lamenting the grossly unfair treatment of the shareholders, it has said it would be impractical to redress the balance," said Mr Anthony Lester, QC.

The Government had been unreasonably rigid and inflexible and stubbornly refused to link the method by which expropriated shares had been valued to the practical consequences for shareholders, he said.

Eleven former shareholders, who say that their £125m compensation was grossly inadequate, have asked the court to rule that the manner in which they were deprived of their holdings violated property rights guaranteed by Article 1 to the First Protocol of the European Human Rights Convention. They claim more than £455m in extra compensation and interest.

The Government contends that the UK acted in accordance with the law and its obligations under the Convention.

The shareholders' claim was rejected by the European Human Rights Commission last year and came to Strasbourg for a final ruling by the court.

The case was concluded yesterday and it is expected that the 19 judges will give their decision later this year.

The shareholders are: Sir William Lithgow, who held a substantial holding in John G. Kincaid & Company; Vosper, in respect of its subsidiaries Vosper Thornycroft (UK) and Vosper Shiprepairers; English Electric Company and Vickers, which jointly owned British Aircraft Corporation (Holding); Vickers, in respect of its subsidiary Vickers Shipbuilding Group; Yarrow, which owned Yarrow (Shipbuilders); Dowsett Securities, Investors in Industry and the Prudential Assurance Company, which were joint owners of Brooke Marine, an East Anglian shipbuilding company; and Banstonian Company and Northern Shipbuilding & Industrial Holdings, which owned Hall Bussels & Company.

Mr Lester said that the Government now accepted that Article 1 not only required that the compensation method should be appropriate but also that compensation should be real and not illusory.

But, he said, it obdurately refused to link those principles, concentrating entirely upon the method rather than the consequences in terms of what was paid and the property for which it was paid.

The shareholders' complaint is that their unquoted shares were valued on the basis of a hypothetical stock exchange quotation over a six-month period to February 1974, and not on their market value at nationalisation in 1977.

Mr Lester said the Government's assertion that it was a well-known and respected valuation method misconceived the shareholders' complaint.

They did not complain about the 1977 Aircraft and Shipbuilding Industries Act – the nationalising legislation – in the abstract. Their objection was that, as applied, it resulted in the payment of compensation which was not reasonably related to the value of their property when it was taken.

"The abstract and theoretical nature of the Government's defence is vividly illustrated by its refusal to look at the actual disparities between what we say our property was worth in 1977 and what we were paid for it," Mr Lester said.

"The Government declares majestically that it is 'inappropriate.' But how else can someone seek justice under Article 1 except by attempting to quantify the imbalance between what he has been paid and what he says is the real value of his property?"

The Government contended that its Convention duty was fulfilled if, when the compensation criteria were chosen, they appeared reasonably to relate compensation to the shares' value at the time.

He said the Government had been unreasonably rigid and inflexible in its failure to modify the 1974 formula to take account of changes in the companies' circumstances over the next three years when their value increased substantially.

"We invite the court to conclude that the reason why the Government turns a blind eye to the practical consequences is because it would have to attempt to justify the payment of as little as one seventh of what the property was worth when taken," Mr Lester said.

Summing up the Government's case, Mr Robert Alexander, QC, said that the shareholders had persisted in arguing that there was an intrinsic or "real" value to property.

Yet they did not challenge the Government's proposition that, to arrive at the value of shares, you had to adopt a valuation method, and that the choice of method lay with the Government.

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000208-000212	000214-000218	000219-000223	000234-000238	000245-000250	000258-000262	000294-000298	000299-000303	050323-050327	050328-050332	050368-050372	050424-050428	050448-050453	050480-050484	050505-050509	050512-050516
000313-000317	000340-000344	000350-000354	000360-000364	000385-000399	000410-000414	000430-000434	000450-000454	050518-050522	050540-050544	050648-050652	050580-050584	050620-050624	050629-050633	050660-050664	050704-050708
000458-000463	000469-000473	000482-000486	000494-000498	000512-000518	000548-000552	000575-000579	000585-000589	050757-050761	050772-050776	050780-050784	050800-050804	050832-050836	050844-050848	050905-050909	050920-050924
000595-000599	000611-000615	000624-000628	000633-000637	000640-000644	000656-000660	000691-000695	000708-000712	050940-050944	050965-050969	050982-050986	050993-050997	051020-051024	051075-051079	051106-051110	051156-051160
000768-000772	000800-000804	000818-000822	000824-000828	000853-000857	000860-000864	000876-000880	000863-000867	051200-051204	051222-051226	051228-051232	051296-051300	051324-051328	051360-051364	051422-051426	051440-051444
000896-000900	000901-000905	000918-000922	000940-000944	000968-000972	000973-000977	000981-000985	001000-001004	051456-051460	051468-051472	051492-051496	051508-051512	051514-051518	051550-051554	051559-051563	051596-051600
001008-001012	001020-001024	001026-001030	001050-001054	001080-001084	001088-001092	001100-001104	001130-001134	051619-051623	051648-051652	051715-051719	051740-051744	051760-051764	051780-051784	051800-051804	051820-051824
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001610-001614	001620-001624	001638-001642	001664-001668	001672-001676	001691-001695	001710-001714	001724-001728	052152-052156	052160-052164	052184-052188	052190-052194	052195-052199	052213-052217	052224-052228	052244-052248
001731-001735	001740-001744	001755-001759	001786-001790	001782-001786	001864-001868	001872-001876	001862-001866	052270-052274	052300-052304	052317-052321	052322-052326	052328-052332	052368-052372	052418-052422	052440-052444
001910-001914	001915-001919	001994-001998	002000-002004	002031-002035	002038-002042	002052-002056	002064-002068	052468-052470	052473-052477	052480-052484	052557-052561	052576-052580	052624-052628	052650-052654	052655-052659
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THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Contested takeovers

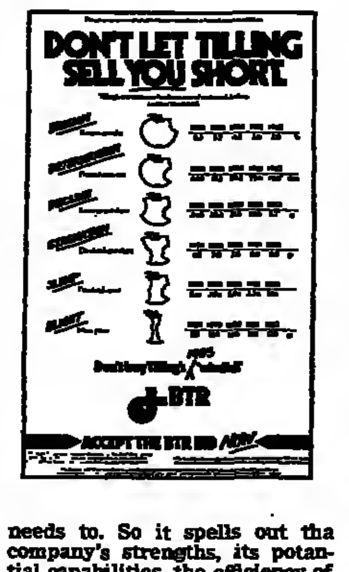
Turning to advertising in the hour of need

BY FEONA McEWAN

PLENTY OF midnight oil is being burned as the UK retailing giants Debenhams and Burtons rally their troops and hone their arguments in the current takeover tussle.

This goes for all their advisors — bankers, lawyers, accountants, as well as public relations and advertising agencies. "It means being on call every day, weekends too," said one adman this week. Contested takeovers are very much a team effort and one in which advertising is playing an increasingly visible role.

We've seen lots of it about in the past three years—Curry/Dixons; Hanson Trust/London Brick; Booker McConnell/Dee Corporation; House of Fraser/Lonrho; Gulf/Mesa Group; BTR/Tilling; P & O/Trafalgar House.



Preparing to do battle: left, one of the 1983 BTR ads, from agency Kilmartin Baker, in the company's takeover tussle—ultimately successful—for Thomas Tilling. Right, one of Tootal's 1985 corporate ads, from Penman & Partners, designed to pre-empt any takeover bid (the Entrad bid, ultimately rejected, occurred shortly after) and to boost the City's confidence in the company

Reasons for this, say industry experts, include pressure from the City for companies to grow which forces more acquisitions, not all of them welcome, as well as a wayward postal system which can make mailshots an inefficient method of communication.

Advertising, however, only tends to come into play when the private shareholding force is significant. "Institutions are persuaded hy other means," says Nick Westall of Streets Financial, the PR and advertising agency. "Often it is a matter of swinging the crucial 6 or 7 per cent of private investors." "It depends very much on the size of the private investment," says Reg Valin of Valin Pollen, the financial consultancy group. "If there's a large number with a significant slice of the equity, then advertising has a part to play, bnt if it'a say, 90 per cent institutional; 10 per cent private investment, then, it's not, perhaps, so relevant — you can reach them by mailings, briefings, and puhlic and press relations."

First into the public fray is usually the aggrieved party, the defensiva company, which more often than not outspends the aggressor. "The classic situation," says Valin, "is the company that has done little in the past to keep its shareholders informed. Suddenly it finds it needs to. So it spells out tha company's strengths, its potantial capabilities, the efficiency of its existing management team, the long term benefits of staying with the company. Then it explains why it's in its current state — perhaps it has developed new markets, or undergone a period of rationalisation, or invested in new technologies — anyway it's saying we're in good shape but best left alone."

"It's one of the mysteries of advertising," says Michael Prideaux, chief executive of Charles Barker City (the agency currently handling tha Debenhams defence), "why companies which have turned their hacks on corporate advertising, which think that even results advertising is a bit of a waste of time, then turn to it in their hour of need." Like alternative medicine, perhaps, it is often seen as a last resort.

There tend to be three distinct phases to such advartising, observes Anthony Wreford of Wreford McAvoy Bayley, the corporate communications consultants. The pattern was established in 1979 by the volatile Spillers/Dalgety tussle.

"First the broad issues are debated on either side. Then when the offer is increased, there's the extended debate ('despite the increased offer, it's not good enough' from the defender; 'we've now increased our offer . . .' from the attacker) and finally the warning notes ('Do nothing' from one side, 'don't forget to post your vote' from the other)," eays Wreford.

Such tactical advertising finds a natural medium in the press, which can detail specific arguments as well as offer speed of response. "It's like a daily changing notice board," said one agency man of the possibla flexibility. One of the best examples of this was the ad featuring two diverging lines showing two companies' performances, with the words "Two lines of questions you might like to ask your chairman" timed to appear on the morning of the defending company's annual general meeting.

Though Trafalgar House was unsuccessful in its bid for P & O in 1983, James Poole, head of tha company's public relations group services, is convinced that advertising did its joh. "We're more than satisfied with its effectiveness," be now says, "especially of particular bits of information which reached people who, I'm afraid, don't read company news regularly." Trafalgar conducted research into P & O shareholders' views during the campaign and advertising was found to be an afficient way of reaching them. "Mailing was inefficient and very slow. The shareholders' register misses about 10 to 15 per cent of them because shares have been sold or are changing hands and then there are caretaker groups lika trustees holding shares for children, so you're lucky if you reach 50 per cent of individuals by mail."

Invariably the decision to advertise is PR-led, since in the financial field PR plays an important advisory and consultancy role. For the agencies involved in takeover battles (and for the bankers, accountants, and lawyers too) it is a time of high adrenalin and urgent deadlines. "It puts a lot of stress on an agency," says Tony Good, chairman of Good Relations, which is currently handling the Burton bid. Ads are turned round in 24 hours and less, every one first cleared by the City Panel on Takeovers and Mergers.

There appears to be little relation between spend and success in takeover advertising. The average campaign is said to cost around £400,000 though Thomas Tilling set a record with £1.5m.

Success is not simply measured in terms of who wins. The "loser" can often console itself with having achieved a higher price for its shares, a feat in which advertising, along with other factors, plays its part. Helping to push the price up is just as much an aim of defensive advertising as the "hands off" signal. Even though London Brick lost its fight for independence after spending £800,000 on its defence, Hanson Trust paid £77m above the original price. While no one would maka too high a claim for the role of advertising and public relations in contested takeover battles—after all, it's the bankers who ultimately steer the strategy—advertising and PR are the vehicles for communicating them in a clear, visible, punchy way. "You have to use all the powers of persuasion but in a scrupulously accurate way," said one financial PR man, "and that's the turn-on."

Not everyone, however, is convinced by the role of advertising in takeover bids. Karin Newman in her book "Financial Marketing and Communications" (Holt, Rinehart and Winston) questions its effectiveness, while acknowledging its growing incidence. "Research into the effectiveness of advertising during the GEC/AEI; P&O/Bovis; Sime Darby/Guthrie; and Dalgety/Spillers bids throws considerable doubt on the value of spending large sums on publicity . . . at best advertising was shown to have little or no effect on the outcome . . . Ultimately one key factor will decide the eventual outcome of any contested takeover bid. It is the price or value of the offer." "That's like saying advertising plays an insignificant role in the shifting of products off shelves because the product does that itself," says Michael Prideaux. "Pressure these days on fund managers and advisors of private investors is such that PR and advertising is seen as a key element in bid strategy."

International agencies

A marriage of giants

Frank Lipsius on the newly formed D'Arcy MacManus Benton and Bowles

THIS WEEK saw the biggest merger in advertising history when D'Arcy MacManus Masius and Benton and Bowles joined forces to becoma the world's number five advertising group, with total billings of $2.4bn.

As we reported last week, both agencies have had their problems lately. B & B's recent loss of Hardee's fast food chain and the Procter and Gamble soap, Zest, belped cause a staff cut of 50 at the New York headquarters. D'Arcy's attempt to strengthen its New York presence, which it previously pursued with the purchase of a smaller agency, took a knock when it lost business from Mars, the confectionery manufacturer, and AT & T, the telephone company.

Getting entangled in the fate of clients is also unavoidahle: earlier this year B & B lost the merged food/packaging giant Nabisco Brands, while D'Arcy's San Francisco office represents the consumer paper products division of Crown Zellerbach, which has been locked in a takeover battle with Sir James Goldsmith, through his General Oriental Securities.

The two agencies, which have equal equity, have a surprisingly complementary list of clients. There is a major conflict in the beer category, where B & B represents Stroh's and D'Arcy handles Budweiser. Besides being bigger, Budweiser has been a D'Arcy client for 70 years. A second conflict occurs in petrol marketing, where Texaco has "regretfully" already decided to pick another agency after 24 years with B & B, while D'Arcy'a client, Amoco, with annual billings of about $25m, has the option to stay put.

D'Arcy had for some time been looking to merge with a strong New York agency to complement its regional strengths in St Louis, Chicago and Detroit. B & B resemhles the standard American agency with a strong New York headqnarters, while D'Arcy's growth through numerous mergers has given it an unusual combination of international and American regional presence.

B & B wanted to improve its international hillings, where it recently won the ITT Philips account and has a strong client list with General Foods, Procter & Gamble and Boots; but where it also suffered losses of the Nabisco and Emery air freight accounts. D'Arcy has Barclays Bank through much of the world, along with Alfa Romeo, Ricoh electronics, and Haig whisky.

It was B & B that first proposed a merger with D'Arcy earlier this year but ultimately backed out of the deal. Once D'Arcy narrowed its search of a dozen different mates to N.W. Ayer, B & B resumed its overtures and finally bagged the deal just as a D'Arcy-Ayer merger was almost done.

Though D'Arcy is the somewhat larger partner with $1.3bn in worldwide billings, it was easy to decide to keep B & B's New York office as the headquarters, with $489m in billings compared with $70m for D'Arcy. The opposite is true in Chicago where the D'Arcy office will survive.

Hal Bay, the president of D'Arcy Masius Benton & Bowles, as the agency will be called, describes this policy as "where it's possible, we'll merge two offices." International offices, however, cannot be as lucky as the domestic U.S. offices, where the seven remaining from both agencies are all in different cities.

In the agency hierarchy, B & B's John S. Bowen, 58, assumes the role of chairman, while the D'Arcy chairman, 48-year-old Hal Bay, hecomes president and chief operating officer. Peter Redsell, D'Arcy's chief operating officer, moves over to head the international division, where D'Arcy has the major presence, with $1.34bn in billings compared with B & B's $1.13bn. The domestic U.S. president, Roy Bostock, comes from B&B to round ont the top team of a marriage that may not have been made in heaven hut at least plays into both sides' major strengths and needs.

Marketing abstracts

The new breed of retailers. R. Bencin in Direct Marketing (U.S.), Dec 84 (4½ pages)

. Argues the days of tha "storekeeper"—the shopkeeper who waits for the customer to arrive—are numbered, to be replaced by "retailers" who use the full range of marketing techniques, and combine in-store trading with direct mail and catalogue selling. Points to the benefits of mail order to retailers, manufacturers and consumers, and the fundamental drawbacks of shopkeeping, and foresees increasing growth in the direct response market.

Prodnet Pirates: J. Couretas in Business Marketing (U.S.), January 1985 (5½ pages)

Recounts the exploits of an international network of product counterfeiters, who make a quick killing in domestic and foreign markets; specifically refers to industrial products and pinpoints the Far East as the centre for manufacturing counterfeit goods, lists techniques for their identification and prevention, and for enforcement of legislation against them.

Brand image research. J. Elliott and others in Admap (UK), February, 1985 (11½ pages)

Two articles (both relating to advertising effectiveness award-winners) describe the analytical research techniques used to (1) identify what benefits a new TV advertising campaign brought to sales of Kellogg's breakfast cereals (overcoming the "bran image") and to (2) establish why the lager brand marketed by Courage (brewers) had an unfavourable sales image in public house outlets, and to deivse advertising strategies (successfully, it is claimed) to solve it.

Account Planning: J. Wyatt In Industrial Marketing Digest (UK), Vol 10 No 1 (9 pages).

Stresses the virtues of account planning through which client and agency jointly analyse and agree on advertising needs and strategies (as opposed to the common arrangement where the client hands the agency a hrief to work to); describes how this approach was applied successfully for Jungheinrich, the UK subsidiary of the West German forklift truck manufacturers.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley HA9 8DJ.

Notice to Holders of Warrants of

Yamamura Glass Co., Ltd.

issued in connection with

8¼% Guaranteed Notes Due 1990

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 7 of the Terms and Conditions of the Warrants that:

1. On June 10, 1985 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of June 30, 1985, in Japan at the rate of 0.15 share for each one share held.
2. Accordingly, the subscription price in respect of the above Warrants will be adjusted effective immediately after such record date.

The subscription price in effect prior to such adjustment is 588 Yen per share of Common Stock, and the adjusted subscription price is 511.30 Yen per share of Common Stock.

Yamamura Glass Co., Ltd.

June 28, 1985

THE ARTS

Troilus and Cressida/Royal Shakespeare Company, Stratford-upon-Avon

Michael Coveney

Of all Shakespeare's greatest plays, *Troilus and Cressida* can appear the most intriguingly modern. At its centre is an exchange of hostages between a nation under siege and the invading army. Our scene is Troy, after seven years of war sparked by the abduction by Paris of Menelaus's Helen. Howard Davies's new RSC production places us, literally, in the House of Troy, a decaying bomb-strafed classical manse, where Priam's dynastic ménage is pinioned in a martial echo chamber: the family pile is full of noises.

Ralph Koltai's design of crumbling masonry, dislocated doorways and slatted blinds is conceived in the Philip Prowse style, with a catastrophic explosion in the final battle scenes and falling swagged drapes as Hector dies. The Greek generals assemble in fustian grey and the chandelier goes out, a convincing switch. Pandarus, first seen reading a Greek newspaper, is at ease in either camp; Achilles and Patroclus lurk at the top of a large, extravagant staircase; Thersites is a recalcitrant Geordie potman, cleaning up by knocking over chairs, filching drinks from a tray at the social gathering of top dogs from each side; Paris a burgundy frock-coated drunk with a black monocle.

Liz da Costa's costumes (and the programme, which even by recent Stratford standards is a scrappily presented insult) evoke a late 19th century mood, perhaps of the Crimean War. This play was discovered for the modern theatre by Tyrone Guthrie's 1956 Old Vic first world war version; since the Hall/Barton sand-pit version of the early 1960s, the RSC has continued to profit in its excavations. Howard Davies might have done likewise had his ideas been executed with panache, the production more attentive to basic values of verse-speaking (generally atrocious) and overall pace.

Koltai's set is all very well, but the *ingenuity of its uniform* location is scuppered by clumsy furniture changes. Throughout actors are too busy drinking tea, playing tunes on wine-glasses or waiting for someone to reach the top or bottom of the stairs. By the time we reach the battle scenes—the worst here for ages—Pandarus's farewell to our aching bones is all too pertinent.

The anachronistic gloss is not dissimilar to Trevor Nunn's on *All's Well* a few years ago. And as a sequel to Davies's "periphery of war" work (*Days of the Commune, Much Ado, Mother Courage*) the show has vestigial merit. Alun Armstrong's *hilarious music hall* Thersites is not so much a scabrous observer as a press-ganged hunchback in thick pebble glasses who avoids the front line by volunteering for domestic duties with cabbages and things.

In recent years there have been notable contortions to make elements of *The Shrew* or *The Merchant* palatable to contemporary liberal sensibilities, *but nothing so crass as* here perpetrated by Davies and his Cressida, Juliet Stevenson. They are unwilling to suggest that Cressida is either false or sluttish after the exchange with Antenor, and simply censor the play's meaning without re-writing the words.

Cressida becomes an oppressed victim of chauvinist bartering and in the overheard love scene with Diomedes (Bruce Alexander's "sweet honey Greek" is a pinch-mouthed, unattractive subaltern) she appears to be pleading for escape. On "Troilus farewell" she seems she has accepted defeat, but what of the "fault" she finds in women? It may be hard cheese on the RSC feminist puritans, but Shakespeare is writing about falsity *and sexual wantonness, not* rape.

Alastair Muir

Juliet Stevenson, Clive Merrison and Anton Lesser

Miss Stevenson is too good an actress to be uninteresting and she produces two remarkable emotional outbursts: on the initial acknowledgements of her love for Troilus, and on "My love admits no qualifying dross" when pitched into the exchange deal. Meeting Agamemnon and the rest in the "kissing" scene, she is subjected to a coarse and brutal treatment that—you might generously argue—justifies her attitude to Diomedes.

She is curiously mis-matched, anyway, with Anton Lesser's small and ferret-faced Troilus. *This Troilus registers little* feeling about Cressida until the display with Diomedes. And that could not possibly convince him that the letter is a fradulent *expression of her love.* With the exception of Alexander Wilson's gloating Aeneas and Clive Russell's touchingly bovine, blockish Ajax, few of the younger actors are seen to advantage.

Alan Rickman's Achilles is a temperamental, idly articulated slouch, lacing his wine with medicine after seven years' draining participation in the war (a good touch, that), projected into the *duel* with Hector (David Burke) in tearful rage at the death of Patroclus (Hilton McRae). Clive Merrison's white-suited Pandarus is, confusingly, the resident sardonic pianist of some 1940s Hollywood movie, although I liked his original line in a sexual wheedling and the daring antics—not altogether successful—among the carousing Greeks. Lindsay Duncan's Helen confirms at a glance that the futility of the war has been compounded by a collapse of interest in the sottish, rather stiff-jointed Paris of Sean Baker.

Late 19th-century revolutionary turmoil is conveyed in Ilona Sekacz's crashing piano score of Chopinesque pastiche, if not in the casual whisky-and-cigar aroma of the council meetings. Richard Conway's Calchas is too anonymous for this key role, but Colin Douglas's Priam and Mark Dignam's Nestor are both watchable and audible. So, too, is Peter Jeffrey's Ulysses, a slyly model major general with a destructive twinkle in his eye and a voice of silken, garotting, thread.

Genius ancient and modern in Montreal

Antony Thorncroft

Montreal is on the move again. After a tricky patch when politics threatened to detach French Quebec from Canada, with dire effects on its economy, the city is making up for some wasted years with the kind of imaginative ideas which brought Expo 67 and the Olympics to Montreal in the not too distant past.

The most popular event this summer has undoubtedly been an International Fireworks Competition, which attracted entries from eight countries. By the time *a reputed C$1m had gone* up in smoke, Japan and France had won the two major contests and Montreal had experienced the worst traffic jam in its history as over 1m people packed the banks of the St Lawrence for the grand finale.

Sometimes it seemed as if crowds of this size were visiting the two main cultural shows of the summer, exhibitions devoted to the paintings of Picasso and to the Egypt of Rameses II (Ramses in this French version). Both events were distinctive.

The Picasso, which opened last week and continues until November 10, is limited to 80 works, which the artist kept in his possession. After his death the French Government creamed off a couple of thousand canvases from his studio to meet death duties, but Picasso's widow Jacqueline retained many of his most intimate works. These form the basis of the exhibition. In spite of the propaganda of the organisers a good few of the paintings have been seen publicly before but in the main this is a very personal choice by an intimate of Picasso which gives a fresh and, thankfully, relaxed view of perhaps the most over-familiar artist in history.

The paintings are grouped by theme in four rooms. They range widely in date from that most conventional of subjects, The Flight into Egypt, done at the age of 14, to a portrait of the artist and his wife completed when he was over 80 — his hand, in bright, aggressive, red paint has turned into a brush. There is not the same range in style — Picasso pioneered so many and, during his pink period in the early 1900s, was so happy to be finding buyers that he kept few canvases. There is, however, a very poignant nude of 1902 of the blue period — all elongated vulnerability.

Picasso presented in this concentrated way breaks through the mythology that clings to him. You realise that he is an up-front artist — what you *see is what you get. This is* particularly true of the portraits, some of an earlier Greek mistresses, many of Jacqueline. A wall is devoted to her — looking sad, serene, and pensive in turn. Then very domestic, with a stray cat on her lap.

Picasso as family man may be a new thought; there is a particularly bright and happy portrait of his son dressed as Pierrot. But in this instant guide to the artist and to 20th century art history, little from the text books has been sacrificed. There is Picasso in the historical tradition, with his overt debts to artists like Delacroix (in a portrait of Jacqueline in orientalist costume), Poussin, with dancing figures, and to Van Gogh, in a striking self-portrait where he has crowned himself with the *famous straw hat.*

There are musketeers and bullfighters, with a gripping late work of a Mazambiquo black toreador with plenty of red splash; is predictably personal models dreaming rather than what they might be dreaming about; and the sad and colourless canvases he painted in Nazi-occupied Paris during the War. Anyone who was scared of Picasso should go to Montreal: this is the artist amiable and accessible, but with no loss of genius.

One work in the Picasso exhibition, of Jacqueline coping with another generation of baby Picassos, could have been influenced by Egyptian tomb paintings but the only real link between the artist, and the Rameses II show is that they both offer refined experience. The '67 exhibits come from Cairo Museum. Some have been shown in Paris, in 1976, but this is the first trip to North America. They are displayed in what had been the French Pavilion of Expo '67 and the journey is somewhat similar to venturing into a pyramid. You pass through dark passages before finally arriving at an Egyptian garden — and an Egyptian restaurant.

The tomb of *Rameses II* was looted soon after his death in 1240 BC so there are few personal effects in Montreal. But so great was his fame that a latter Pharoah gave him a secondhand sarcophagus in a re-tombing (on show), and many centuries on his mummy was re-buried to thwart another generation of tomb robbers.

When his mummy was discovered in the 1870s, and brought *to Cairo, peasants* wailed as if a great leader had just died. For, thanks to a reign of 67 years, Rameses became the Great. After some early skirmishes with the Hittitos he reigned over a peaceful land. He was Oxymandias, King of Kings.

Some of this power and pomp is in Montreal. It is unfortunate that his mummy could not cross the Atlantic but the first exhibit, a Colossus of Rameses as a votary, is a good symbol of his absolutism. The show matches great statutes, made from pink granite and painted sandstone, with intimate gold artifacts of quite extraordinary craftsmanship. There can be nothing matching the vessel with a gold shaped handle in the form of a goat, or of a female swimmer, in the art of any contemporary civilisation, nor indeed for the next millenium.

The exhibits might have carried more explanatory material (the catalogue costs C$20); they cover a much longer period than even the the reign of Rameses II and they give glimpses of Ancient Egypt while leaving unanswered many questions about the social life of the time. Yet there could be hardly a more stimulating introduction to one of the most mysterious yet well-known, inward looking yet ingenious civilisations of the world. One object alone—the first known clock, a decorated bowl, dating centuries earlier even than Rameses, which measures time through water dripping down the incised lines, is sufficient in itself to justify the exhibition, *and the need to visit it.*

Rameses II, King of Kings

Thea Musgrave's new opera

Andrew Porter

For her sixth opera, *Harriet, the Woman Called Moses*—a joint commission from the Virginia Opera and Covent Garden—Thea Musgrave chose an American subject. Harriet Tubman, c *1820-1913*, was an escaped slave who returned again and again to Maryland to guide other slaves along the "Underground Railroad" to freedom. Later, during the Civil War, she acted as scout and spy for the Union Forces. She has been called both the Moses and the Joan of Arc of her people. The first brief life of her was written in 1869. Queen Victoria read it and sent Harriet a silver medal.

Musgrave was her own librettist, and the "dramatic documentary" she devised is a fairly conventional piece of work. The opera opens with a flashback: Harriet, escaped, in Philadelphia, hears in a dream her people calling "Moses! Moses! Lead us to freedom!" and then we are back in the slave quarters. The real-life Harriet's first intentions were to rescue just her family; Musgrave gives her the larger vision from the start. When she went back for her husband, she found him married to someone else. Musgrave drops this unsatisfactory husband and introduces instead a love affair with a slave called Josiah and a standardised operatic conflict between the claims of love and duty. ("At last we's together, I won't let you go!" "I must make just this one more journey South." "Then go alone!")

Musgrave also invented an Old Master of the benevolent type (in an Act II chorus he is laid in de cold, cold ground); and his wicked son Preston, who tries to seduce young Harriet. In the final scene, Preston pursues Harriet and Josiah right to the Canadian border, and shoots at Harriet as she is crossing the bridge to freedom. *Josiah*, shielding her, receives the shot, and the opera ends with a long duet as he dies. It is hard not to feel that an extraordinary history has been adulterated by the *clichés* of *sub*-Puccinian verismo. By comparison with David Blake's *Toussaint* or Henze's *We Come to the River* —fair comparisons—*Harriet* is disappointingly unambitious.

Ronald Crichton, *reviewing* Musgrave's previous opera, *A Christmas Carol*, in these pages, described her "an efficient opera composer and sometimes more than that." *Harriet* is an efficient piece of work, most of the time. (Not always: there are dragging episodes of mawkish dramaturgy.) The opera starts with a pair of "Freedom" chords that are conscientiously worked as a recurrent motif (but are an inadequate musical gesture); stretches of whole-tone harmony; tritones to represent strife; tonality too easily won to end each act, with long high notes for the heroine.

Real spirituals ("Go down, Moses" and "Swing low, sweet chariot") appear, and also newly composed spirituals; one of them, Josiah's "Wonder where my sister gone," is a happy invention.

The work, it seems, had been skilfully planned to please audiences to whom "opera" means Bohème and *Tosca*. It was a great *success*: there were ten sold-out performances (four of *them for schools* audiences), and the enthusiasm at two performances I attended was immense. But the very fact that in content Musgrave aims higher than Puccini makes her recourse to hackneyed devices and procedures, both musical and dramatic, the less acceptable. There are some beautiful sounds in *Harriet*, and some effective episodes; but also much that is obvious, formulaic, uninspired. These are hard things to say, for beneath the *Harriet* one heard there seemed to be another opera—more visionary, ambitious and individual—that somehow did not quite get composed.

The performance, in Norfolk, Virginia, was good, with a young soprano of great promise, Cynthia Haymon, in the title role. (Glyndebourne will hear her in *Porgy and Bess.*) Alteouise De Vaughn was warm and strong as Harriet's mother, Ben Holt was a vigorous and sensitive Josiah. Gordon Davidson's production was fluent but conventional; Jeffrey Beecroft's settings had a basic frame suggesting the hold of a slave ship; Peter Mark, Musgrave's husband and Intendant of the Virginia company, conducted ably.

The Virginia Opera, now in its tenth season, has swiftly won wide community support, and Musgrave is a local heroine. *Mary, Queen of Scots* had its American premiere there (in an admirable production, Ashley Putnam was its heroine, which put the company on the national map), and *A Christmas Carol* its premiere. And whatever one's personal disappointment with *Harriet*, it was good to hear a *new modern opera so* thoroughly appreciated.

Previn, Yo Yo Ma/Festival Hall

Paul Driver

The second week of André Previn's Music Festival continued on Tuesday night with a distinguished all-Elgar programme, in which he was conducting the Royal Philharmonic and accompanying the young American-based cellist Yo Yo Ma.

Cockaigne overture was done with sufficient aplomb to compensate for its familiarity. Though the performance did not linger over the poignant, querying, lyrical passages that periodically break into the confident discourse, the latter was managed with a fine sensitivity to the composer's characteristic rhythm and flow.

Throughout the concert Previn bore himself as a natural Elgarian. Nothing was ever flashy or forced—his instinct for the flavour and the manner of unfolding of the music was communicated with quiet, precise authority. In the Cello Concerto this aptitude combined with Yo Yo Ma's stunning individual insights into the work to produce a reading as magnificent and moving as any I can recall.

From his initial, lunging attack on the solo part one knew that Ma's account was going to be special. It was so in every way: virtuosity (flawless tuning, even in the highest register, and a sound so rounded and full that, surely, it could have penetrated to the back of the hall); dynamic inflection (new colours, new sounds); communicative drama; above all, inwardness of feeling. It was as though Ma's *own musical soul as a devotee* of the instrument was being uniquely bared by this concerto. Elgarian nostalgia exuded, as it should, from the performance, but there was also a timeless Orphic cajolement.

What Previn notably helped him to achieve was the creation of an enhanced sense in which the work was both lyrically fluid, to the point of seeming to be able to cease its motion and talk to us directly, yet structurally as calculated and tight as could be. There was always a new point waiting to be urged as the soloist completed one of his quiet ruminations; there was never the faintest chance of a collapse *into* the *desultory.*

Previn's authority did not desert him in the First symphony. Again he succeeded in demonstrating the solidity and imaginative ambition of Elgar's architecture, while preserving consistently lovely sound. The Adagio was unforgettably beautiful; and the finale's wide expressive range was expertly compassed as its evolution was made lucid and inevitable.

Gate re-opens

The Gate Theatre, Notting Hill, will reopen after its major refurbishment on July 1 with the European premiere of *Danny and the Deep Blue Sea*, by John Patrick Shanley.

The play was first seen at the *Louisville Festival last year*, and subsequently moved to New York where it was well received.

This production is directed by Robert Stephens, and stars *Fiona Victory and Alan* Polonsky.

Vanessa Redgrave in The Seagull

Vanessa Redgrave and Jonathan Pryce will appear in *The Seagull* for a 14-week season opening on July 29 at the Queen's Theatre. Miss Redgrave appeared on the same stage in the same play 21 years ago as *Nina, a role now taken by* her daughter Natasha Richardson.

Charles Sturridge's production for the Oxford Playhouse and Lyric Hammersmith was seen in London in April, with Samantha Eggar and John Hurt in the roles of Arkadina and Trigorin now taken by Venessa Redgrave and Jonathan Pryce. The cast will also include Alfred Burke, Ronald Hines and John Lynch.

This is the first time that Vanessa Redgrave and her daughter will have acted on the stage together, although Miss Redgrave has appeared on film, in *David Hare's Wetherby*, with her other, younger daughter

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

June 21–27

Exhibitions

SPAIN

Madrid: Palacio de Cristal and Palacio Velazquez, Parque del Retiro: Spanish sculpture 1930-36. Sculpture and drawings by Picasso, Miró and contemporaries. The selection includes two works featured in the 1937 Paris exhibition, at the height of the Spanish Civil War, and now shown in Spain for the first time: Picasso's Femme du Vas and Julio Gonzalez's La Montcerrat. Ends July 30. (274 7775).

Madrid: Sala de la Caixa de Barcelona, Velazquez 63: Salvador Dali, a retrospective of his work as an author and illustrator of books, with 300 engravings and lithographs and 200 drawings. Ends July 16. (431 2017).

Barcelona: Fundacion Joan Miró: Works by 45 Russian avant-garde artists from the Ludwig collections in Cologne, covering the period from 1910 to 1930 and including the most representative masters of neoprimitivism, constructivism and suprematism. Ends July 7.

PARIS

Renoir: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nude feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 Drawings, including Le Bal du Moulin de la Galette and La Danse à Bougival, Grand Palais, Closed Tue. Ends Sept 2 (261 5410)

Robert and Sonia Delaunay: for the 100th anniversary of their births, his in Paris and hers in the Ukraine, a retrospective of some 300 objects, paintings, drawings and decorative projects brings to life their joint pictorial adventure. Whether exploring abstract painting or disarticulating Eiffel Tower images, their colours are vibrant, their *joie de vivre* explosive. Musée d'Art Moderne, 11 ave du Président Wilson. Closed Mon, Wed late closing. Ends Sept 8.

Corot to Picasso. The range of French 19th and 20th century masters assembled by the art merchant Robert Schmit comprises an important Degas pastel La Conversation and a Van Gogh, unusual both for technique and the theme of the Seine. On the first floor the sunshine comes in with Vuillard, Bonnard and Duffy. Picasso's Large Buste d'Homme faces an equally large Braque still life. There is a dream-like Balthus landscape and a strong blue, red and white one by De Staël. Galerie Schmit, 396 rue Saint-Honoré (260 36 36), closed Sun and from 12am-2pm. Ends July 20.

LONDON

The Tate Gallery: Francis Bacon, Britain's greatest living painter accorded the rare distinction at the age of 76 of a second full retrospective exhibition at the Tate, 20 years after his reputation as an artist of world standing was first put beyond all doubt. Now we see him no longer as a unique and extraordinary figurative, surrealist expressionist, but as an artist who has come at last into his own, as younger painters have come round again to the human figure as the central, creative preoccupation. As the subject matter is now more acceptable, so his peculiar and tormented re-invention and reconstitution of the figure no longer shocks. Ends Aug 18.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably *Wittgenstein but also Freud*) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

BRUSSELS

Hotel Metropole is celebrating its 90th year and in its splendid *fin de siècle* public areas, worth a visit in themselves, they are exhibiting glass and objets d'art from the Belle Epoque to Art Nouveau including works by Wouters, Gallé and Daum. Also on show are a collection of illustrated menu cards including a Press Banquet in 1893, Congo in 1888 and *Sarah Bernhardt in 1896. Ends* July 20.

Opera costumes from 1959 to the present including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. *Musée de Costumes et Dentelle.* Until November.

Tony Cragg – a major exhibition of one of Britain's contemporary sculptors. Palais des Beaux Arts. Ends July 28.

ITALY

Venice, Palazzo Fortuny: Toys for the science-fiction era, showing how vastly more sophisticated robots have become, since first produced in the 1950s. Ends Jul 14.

Naples, Museo di Capodimonte: *The* Age Of Caravaggio, seen at the Metropolitan Museum in New York in February and March, is the first fruit of an agreement between the museum and the Italian Arts Ministry. Besides 40 paintings by this extraordinary artist (some of not absolutely certain attribution) there are works by Caracci, Reni, Borgianni, Elsheimer, Gentileschi and Rubens, as well as a section devoted to those northern Italian predecessors, who had an important influence on Caravaggio. Until End of June.

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20

WEST GERMANY

Berlin, Gropius Bau, Stresemannstr. 110 Berlin 61: Treasures of the Forbidden Cities. Timed to coincide with this year's Berlin Horizon 85, the Peking Palace museum is coming to Europe for the first time, with roughly 120 works covering 3500 years of Chinese history. The exhibition in Berlin includes gold, and Jade, paintings, porcelain, musical instruments and calligraphs. Ends August 18.

Frankfurt, Museum für Kunsthandwerk, Schaumainkai 17: The new museum opens with an exhibition of Turkish culture and art from the Osman empire. 500 works are on loan, ranging from 15th-19th century. The show includes glass, carpets, ceramics, miniatures and weapons. Ends June 30.

Köln, Schnütgen Museum Cäcilienstrasse 29: Gothic Art from Bohemia, 60 masterpieces from between 14th and 16th century on loan from the National Gallery, Prague. Ends July 21.

Düsseldorf, Städtische Kunsthalle Grabbeplatz 4: A retrospective of Rupprecht Geiger with 100 paintings from between 1945 and 1984. Ends July 21.

München, Staatsgalerie moderner Kunst, Prinzregentenstr. 1: German Art since 1960. 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: *Beuys, Richter and Kiefer.* Ends Sept 15.

Emden, Ackhuysen-Gesellschaft, Rathaus am Delft: To honour the late Franz Radziwill on the 90th anniversary of his birth. Ends July 28.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 *World Fair in Paris demonstrate* the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

WASHINGTON

National Gallery. *Ancient Art* of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicize his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2.

Art Institute: With 200 of Marc Chagall's works on paper dating from 1907 to 1983, this show from the Centre Pompidou in Paris makes a good study of Chagall the draughtsman. Ends July 7.

Saleroom/Antony Thorncroft

Impressionable market

Sotheby's had a sticky time of things at its major summer *Impressionist* auction on Tuesday evening: the two star lots, paintings by Cezanne of his wife Hortense and a still life of apples, failed to find buyers. They had been estimated to sell for around £1.5m each, but in the event were bought in at £920,000 and £780,000 respectively.

This underlined the traditional uncertainty of demand for Impressionist and modern pictures. Although they are the most collected works of art among the very rich with international appeal, there are so many available that buyers can wait for the really exceptional ones to appear. *The Cezannes* were of good quality, but small and rather unexciting.

But the market is not particularly weak — just discriminating. "La rentrée de foin," by Gauguin, which had been unsold a year ago in a New York auction at $165,000, found a new home at an impressive £297,000; and the many Japanese buyers in the saleroom were showing particular interest in paintings of the Paris School. "Deux enfants ot cage d'oiseau," by Foujita, sold for £126,500, and "Deux filles à la guitare," by Marie Laurencin, for £74,800. Both went to Jopan.

As did the top lot, "Materoité," an early 1901 Paris painting by Picasso, bought by Mons Art, Japan, for £539,000. The dealer Wildenstein paid £418,000 for "La Seine à Lavacourt," by Monet, and another Monet, of the beach at Sainte-Adresse, went for £253,000. A street scene in Rouen by Pissarro sold for £319,000, and there was an auction record price paid for a work by the Belgian Fauve artist, Rik Wouters: £126,500 for "Les rideaux rouges."

The sale totalled £4,405,500 with 55 per cent unsold. As well as the Cezannes, a major Renoir and a Redon were bought in.

Yesterday's auction of the second division Impressionist and modern pictures went more to form, with a total of £2,798,400 and a reasonable 21 *per cent bought in.* The best prices were the £56,100 paid for a bronze known either as "Meditation," or "Sitting Man," by Jacques Accoude; £50,600 for "La maison dans les arbres" by Gustave Caillebotte, and £49,500 for "Partie de campagne" by Marie Laurencin, who seems much in favour these days.

In the morning session of Christie's print sale, all from a *private collection*, the only known print by Pieter Brueghel the Elder, which is very rare and depicts a landscape with rabbit hunters, sold, at its high estimate, for £25,920. "Prosperine," by Hendrik Goltzius doubled its forecast at £15 120, and an engraving of Apollo, also by Goltzius, also far exceeded its estimate at £14,040.

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A litmus test for Europe

ONE way or another, the European Community summit which opens in Milan tomorrow will be a litmus test of the viability of the European enterprise. The decks have been cleared; preparations for this meeting have been going on for almost a year. The heads of government must now show whether they are willing to take those decisions which will get the Community moving out of its prolonged stagnation.

In theory there is no reason why this should not be a successful meeting. There is a broad consensus that the Community can provide some of the answers to Europe's economic problems only if its internal market is thoroughly liberalised and deregulated. There is also a broad consensus that liberalisation will be deadlocked, unless the decision-making process is streamlined, with much more majority voting. Unfortunately, the prospects for agreement are overshadowed by three conflicting sets of illusions.

The first illusion, represented by Italy and the Benelux countries, is that the new chapter in the Community's history needs to be marked, symbolically, with a thorough-going shake-up of its constitution, a constitutional conference, culminating quite possibly with a new treaty. Now it is arguable that the Rome Treaty is showing its age; and that if majority voting were to become the general rule for routine decisions, then certain quais-federalist consequences should flow from this.

But it is not obvious that the member states are ready for a federalising leap forward, in advance of any solid evidence that they are prepared to make even marginal concessions of national interest on the mundane common-market obligations laid down in the Rome Treaty. At this stage a conference aimed at fundamental revision of that Treaty can only precipitate ideological disputes, while distracting attention from the more pressing economic problems facing the member states.

Liberalisation

The British Government has been the most insistent advocate of market liberalisation, and rightly so: a large free market with the maximum of competition, is the *sine qua non* for any strategy of faster economic growth and a stronger industrial structure in Europe. The British illusion has been to suppose that the political consequences of liberalisation can somehow be concealed or at least finessed, and that the federalist ambitions of others must be denounced.

The fact is that the political ramifications of a fully integrated market cannot be denied, nor should they be. Presumably, the British Government believes that market liberalisation, especially in services, will be to Britain's advantage. Securing that advantage will require political goodwill from other member states, and it can make no sense constantly to pour water on their political idealism.

The British Government's proposal for a binding procedure on the co-ordination of the foreign policies of the member states is a laudable project; the extra ingredient of a foreign policy secretariat may be necessary to take account of the fact that some members may prefer to opt out. Yet it looks like a sweetener to compensate for British minimalism on constitutional reform.

Technology gap

The French government's concern seems mainly focused on the technology gap and the threat from the American "star wars" research programme; its response is the Eureka idea for co-ordinating European research in high technology. Now "star wars" may pose a threat, through a brain drain of European researchers, and there may be a case for a political response to that challenge. But it is a Colbertiste illusion that the solution to the problem will come mainly from government interventionism.

The heaviness of the agenda makes it unlikely that the heads of government can reach final agreement on any of the issues; the constitutional question alone, with its political resonances, would be enough to occupy all their time. But it is essential that they settle the broad principles which should govern detailed discussions between the foreign ministers, so as to produce a final package by the end of the year. What Europe cannot afford at this stage would be an inconclusive exchange of rhetoric, followed by an open-ended and directionless conference.

More haste, less justice

The Administration of Justice Bill, now approaching the report stage in the House of Commons, looks likely to proceed to Royal Assent later in the summer without tackling convincingly a matter of considerable public concern: solicitors' handling of complaints against themselves. The Lord Chancellor's Department is arguing that it is far too late now to heed the recommendations of an independent report commissioned by the Law Society from Coopers and Lybrand, the management consultants.

The Coopers report argues that a body independent of the Law Society should be set up to investigate complaints against solicitors. It maintains that there is an inherent conflict of interest if the Law Society, the solicitors' trade union, is also expected to act on behalf of members of the general public. The report proposes a new Solicitors' Complaints Board, funded by the profession, and comprising five elected solicitors (none of whom would be members of the Law Society's ruling council), five lay members appointed by Government and a solicitor chairman appointed by the Master of the Rolls.

Independent

These suggestions are very much in line with earlier recommendations from the National Consumers Council, which is also keen to see a complaints procedure independent of the Law Society. The Coopers report fully supports the concept of self-regulation: the new board would be independent of the Law Society but not of the profession. It points out that in other professions the trade association is not directly responsible for the investigation of complaints. The General Medical Council, for example, and not the British Medical Association, handles complaints against doctors. And accountants have set up a joint disciplinary committee which is independent of the individual professional associations.

In the Administration of Justice Bill, the Lord Chancellor's Department has been content merely to tinker with the status quo: there is no suggestion that the Law Society should relinquish responsibility for investigating complaints against its own members. This seems a strange lapse on the part of officials.

Public concern about solicitors' handling of complaints is hardly new. In 1983, the profession was shaken by the Glanville Davies case in which the Law Society repeatedly failed to investigate complaints against a member of its own ruling council. The complainant finally took his case to the High Court which found that he had been overcharged by £130,000. Mr Davies was belatedly found guilty of gross professional misconduct and struck off the roll of solicitors.

Questions

The Glanville Davies case immediately preceded the drafting of the present Bill. It was undoubtedly an exceptional lapse on the part of the Law Society. Yet public discontent rumbles on: in 1984, the profession's ombudsman recently reported, there were a record number of claims that the Law Society was handling complaints against solicitors inadequately. Quite apart from the central issue of conflicts of interest, the Coopers report condemns the existing complaints procedure as "slow, cumbersome, inefficient and unresponsive." It argues that action is necessary immediately if public confidence in the legal profession is not to be further diminished.

In the short time available, Members of Parliament should seek answers to two questions. Why, in the face of the evidence, was the Lord Chancellor's Department broadly content with a status quo which independent management consultants describe as potentially "disastrous"? And is it really true, as the department maintains, that it is quite impossible at this late stage to amend the Bill?

The speed with which the Government is introducing new legislation to curb football hooliganism suggests that when the will is there, quick action is feasible. Legislation affecting the legal profession tends to be infrequent: the last big bills were in 1979 and 1974. Rather than wait another five years for sensible legislation, it would be better to delay the Administration of Justice Bill.

UK ELECTRONICS INDUSTRY

The magnet loses its pull

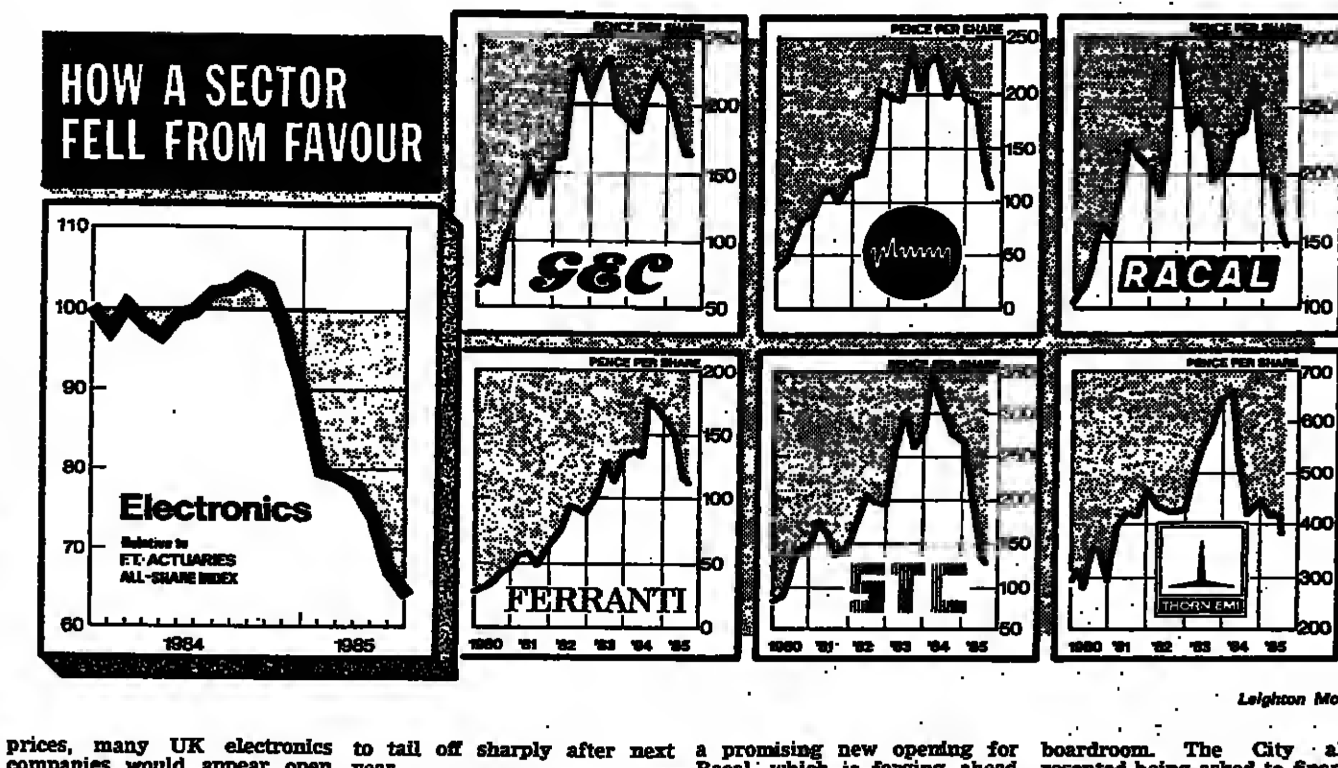
By Guy de Jonquieres and Jeremy Stone

LOSS of investor confidence in Britain's electronics and electrical industry this week turned into something like a bloodletting.

Share prices of leading companies such as GEC, Plessey, Racal and STC, some of which had already lost half or more of their value since the start of the year, have in the past few days been driven to yet lower levels. Some are now selling at prices last seen in 1981, since when the stock market as a whole has doubled.

The ostensible trigger was a gloomy first half profit forecast on Tuesday of Racal Electronics. But the violence with which the market reacted clearly suggests that it is now in a mood to believe the worst of a sector which, only last year, seemed to offer glittering growth prospects.

This swing in City attitudes may prove to have been overdone. It undoubtedly owes something to fashion and to anger at having been caught napping by the downturn. Many analysts, trying to explain away optimistic earlier profits forecasts, are now accusing managements of ignoring or concealing evidence of trouble ahead.



Leighton Morris

However, there is also concern that the industry may be entering more than just a patch of short-term difficulty and is confronted with fundamental structural problems. Some are peculiar to the UK, but many are closely linked to the recent confusing upheavals in electronics markets worldwide.

"The problems that all the British electronics companies face have nothing to do with a general economic downturn," says Mr Mike Sperring of stockbrokers Scrimgeour Vickers. "They have to do with oversupply in the market, be it of microchips, mainframe computers, microcomputers or telecommunications equipment."

Challenge of radically changing markets

In all these sectors, international competition has been sharpened by fierce price-cutting and massive capital investments by the dominant U.S. and Japanese suppliers. Moreover, barriers, which have long separated different parts of the industry, have been crashing under the impact of technological convergence. The latest example is IBM's major advance into telecommunications through its proposed investment this week in the U.S. long-distance carrier MCI.

All these developments might seem to argue for further rationalisation of the British electronics industry to produce fewer, stronger groups of international scale. As Mr James Prior, its chairman pointed out this week, even GEC has only half the output of its West German rival Siemens and is less than a quarter of the size of General Electric of the U.S.

At their present bargain prices, many UK electronics companies would appear open to takeovers by anyone with strong balance sheets. However, in spite of recent Government hints that such a consolidation might be advantageous, there are many commercial—and political—obstacles.

"The prices at which many electronics companies would now be likely to attract predators are lower than those which the City already finds cheap," according to Mr Douglas Hawkins of stockbrokers James Capel. Indeed, he and other analysts believe that the absence of any merger moves to put a floor under the market may mean that prices will slide further.

Though some younger electronics manufacturers, notably Acorn Computers and Sinclair Research, have recently had to be rescued from severe financial difficulties, none of the bigger and older companies seems remotely in danger of collapse. Indeed, some, including Ferranti and Racal, have actually increased profits though not always by as much as the City had hoped a year or so ago.

What really seems to be worrying the City is how the industry will meet the mounting pressures to adapt traditional businesses to radically changing markets. Of all the forces for change within the UK, the most far-reaching is the impact of the liberalisation of the telecommunications market and the privatisation of British Telecom.

Both Plessey and GEC face much stiffer competition in public switching, long an important source of profits, due to BT's decision to pit exchanges developed by Sweden's L. M. Ericsson against System X. STC, which was pushed out of the System X programme three years ago, still has highly profitable BT orders for older TXE-4A exchanges, but these are set to tail off sharply after next year.

BT's £180m bid for 51 per cent of Canada's Mitel, now before the Monopolies and Mergers Commission, has heightened fears in the rest of the industry that BT orders for private telecommunications equipment such as PABXs will also be much harder to come by in the future.

Plessey and STC have responded by trying to diversify: the former by entering the U.S. telecommunications market and the latter through the £411m purchase of computer maker ICL last year and a planned £60m investment in expanded volume microchip production.

Much of the concern of the City hinges on the calibre and adaptability of management

But Plessey faces a huge challenge trying to establish a profitable telecommunications business in the U.S., where deepening losses have forced cutbacks by its Stromberg-Carlson subsidiary. Most brokers' analysts expect STC's next set of figures, due out in August, to be sharply down.

Ironically, after its near-collapse in 1981, profits from ICL are today widely thought to be underpinning many of STC's other businesses. But the City remains far from convinced that STC can achieve its stated goal of integrating its own communications products with ICL's computers to create a profitable new business in electronic information systems.

Telecommunications liberalisation has, by contrast, created a promising new opening for Racal, which is forging ahead in cellular mobile radio telephony. But investment in its UK network is still consuming large amounts of cash, while profits from its U.S. data communications business, its largest source of revenue, seem likely to remain under pressure.

In spite of the increasing unpredictability of the markets in which they operate, the problems facing Britain's electronics companies clearly do not stem from any serious shortage of new opportunities. Much of the concern in the City hinges on the calibre and adaptability of managements.

Many of them have long been used to making some of their biggest profits in protected markets such as defence and telecommunications, where orders have often been doled out in the past on the basis of "Buggin's Turn" rather than being fought for in fierce competition.

However, the harshest public criticism recently has been heaped on a management which has gone to extraordinary lengths to try to buy its way into these protected government markets. Since Thorn EMI mounted its abortive bid for British Aerospace a year ago, its reputation in the market has not recovered.

It is not just that the industrial logic of a BAe takeover by Britain's largest consumer electronics company eluded most people outside the Thorn EMI boardroom. The City also resented being asked to finance the subsequent purchase from the Government of microchip manufacturer Inmos through a £141m rights issue.

All the more so since Thorn EMI's supposedly strong cash flow was until recently one of its main investment attractions. But that cash flow has not looked so healthy since problems surfaced in Thorn EMI's television and video businesses, while the boom in the worldwide semiconductor market which helped Inmos into profit last year has turned brutally to slump.

Until recently, Hanson Trust had been widely tipped as a possible bidder for Thorn EMI. But such speculation has now abated. In any case, it is far from clear that simply removing Thorn EMI from the ring would do much to resolve the rest of the industry's problems of over-capacity and fragmentation.

Within the industry, British Telecom and GEC are the only companies with the financial resources to engineer a large-scale reorganisation. The idea of strengthening their home bases further through mergers could be attractive to both companies and to some parts of the Government. But in practice, it would be likely to stir up a hornet's nest.

Government thinking in this area has been obscured in the past few weeks by the emission from Whitehall of several confusing signals. Earlier this month, Lord Lucas of Chilworth, a trade Minister, caused widespread surprise by appearing to favour further electronics industry mergers, particularly in telecommunications. But since then, the monopolies referral of the BT/Mitel bid has seemed to point in the opposite direction.

GEC's intense caution about spending its £1.5bn cash mountain, for which it has been so widely criticised in the past, may provide it with fresh expansion opportunities today. Though its share price has not always matched other companies in a rising market, GEC has often come into its own during lean periods while its competitors suffered.

But a bid by GEC for almost any of its smaller UK electronics rivals would undoubtedly court monopolies objections, since most of them compete against it for defence orders. By the same token, national security arguments would be bound to rule out bids from overseas.

The industry's current predicament crystallises the tensions inherent in the Government's policy of actively promoting more vigorous competition within the UK at a time when the imperatives of survival on world markets increasingly require companies big enough to command international economies of production scale. This is equally true in defence and in telecommunications.

The Government blames industry for not expanding aggressively enough and argues that other European countries face the same problem. However, Britain's pioneering role in opening its telecommunications market to wider international competition has placed its industries in a more exposed position because none of its neighbours has yet reciprocated.

The difficulties in the Government's position are clearly visible in its ambivalent attitude towards British Telecom. Whitehall alternates between viewing BT as a dangerously uncontrollable monopolist and as a brilliant commercial success which offers one of the country's best hopes for capturing a bigger share of world high-technology markets.

The danger of prolonged disenchantment

So far, BT has remained largely uncontaminated by the City's high-technology gloom. But it has yet to prove that it can manage effectively an expansion into new high-risk businesses, particularly overseas. Moreover, the obstinacy with which it is resisting Mercury's demands for full interconnection with its network suggests that BT is well aware that profits from its UK business are vulnerable.

In the short-run, the electronics companies can live through a period of City disapproval. But if the current disenchantment is prolonged and profits do not improve, the consequences may become much more serious.

For an industry where the cost of staying in the game is rising every year, competitiveness can only be maintained if investors are prepared to stump up large amounts of cash.

Men and Matters

Going through a bad spell

Voting starts today for the next general secretary of the General, Municipal and Boilermakers' Union — and dirty tricks are already being played.

The three leading candidates are Tom Burlison, the GMB's northern region secretary, and John Edmonds and David Warburton, both national officers. All three are middle-of-the-road Labour men, though with widely differing styles.

Yesterday, a press notice boldly headed "Militant" landed on the desk of most industrial correspondents. "Militant newspaper calls for support for John Edmunds (sic) as GMB secretary," it announces.

It credits Edmonds with support for Militant's front organisation and a strike in local authorities, with opposition to "Kinnock and Hattersley's witch hunts" of Militants; and with support for "A Marxist programme for Britain which would bring about the death of capatilism (sic)."

Edmonds, who does not envisage the death of capitalism (or even capatilism) in the near future, was horrified. He spent some time on the 'phone yesterday to these same bemused reporters, putting on record his support for Kinnock, his relative moderation in most things, and his regret that he could not choose his supporters.

But if he was horrified, Militant were puzzled. Lyn Walsh, the paper's assistant editor, had not heard of the press release. And a call to Liverpool, where the release apparently originated, revealed similar bewilderment among the Merseyside comrades.

"If we were to support anyone," said Walsh, "it would, I suppose, be Edmonds. But we don't think he wants the death of capitalism — and we know how to spell it."

Support from Militant these days in a moderate union like the GMBU is of the kind Lenin meant when he mused about the rope supporting the hanging man. So suspicious minds are wondering who is posing as the Militant branch.


"Looks as though the weather forecasters are right for a change"

Book learning

Soviet libraries have begun to show an intriguing interest in more esoteric but up-to-date products of Swedish publishers than the works of Strindberg.

Since early this year, in fact, Russian reading habits have come under scrutiny from the Swedish intelligence service, acting on a tip-off from the university library in Lund, in southern Sweden.

Suspicions were aroused, says deputy librarian Nils Palnborg, when libraries in Moscow and Leningrad began to ask for "particularly curious" books. One volume requested went into great detail about the facilities and navigation of Sweden's northern Baltic ports.

Other requests revealed a special interest in one parish to the east of Lund. "Apparently banal," says Palnborg—except that the parish contains some military airfields and the exercise area for a tank regiment.

Ever since a Soviet submarine ran on to the rocks close to the Karlskrona naval base in 1981, Swedish sensitivity to foreign violations of its territorial waters and air space has been intense. Swedish security forces have chased and shot at phantom frogmen; they have discovered the tracks of mini-submarines on the seabed within a couple of miles of Stockholm; they have launched depth charges on suspected intruders—but all with no result.

The Swedish authorities have been left clutching at straws in the wind, like the pattern of Soviet borrowing from the Lund library.

Lund handles all Sweden's international lending to foreign libraries and, by its statutes, cannot refuse any requests for published material.

But from public sources, you can easily build a jigsaw puzzle of interesting security information, says Defence Staff spokesman, Bertil Lagerwall. "Of course we are interested in finding out what information the Russians are after."

Lucky number

Alan Thomas was one of nine computer men who backed a winner in 1971 when they baled out the ailing systems house, Data Logic, with £50,000 of their own money. Seven years later they shared £3m from its sale to Cossor Electronics.

Now Thomas is to become vice-president of Raytheon, Cossor and Data Logic's parent company, and president and chief executive of Raytheon Europe International.

Thomas, 41, a chartered engineer and an accountant, has been managing director of Data Logic since 1972. Its business is mainly in commercial systems—banks and business houses. A typical Data Logic operation was the setting up of a definitive system of stocktaking for Britain's pubs with Allied Breweries. But it has some experience with defence systems in which U.S.-based Raytheon, with 73,000 employees worldwide, specialises.

With Thomas's new appointment, Raytheon's European HQ will move from Geneva to London. He stays as Data Logic's chairman ("they thought it would be a good idea for me to keep some close contact with the company." What happened to the rest of the Magnificent Nine? Thomas says: "Several of them are still directors of the company. One got out and became a farmer. They're all doing pretty well."

Lip service

Large pink cardboard boxes bearing the inscription "Wet n' Wild — something glamorous for the eyes, lips and nails" are being pushed through the letter-boxes of shareholders in Pevion, the company that was Sangers before it bought a down-market U.S. cosmetics company, renounced its full listing and joined the Unlisted Securities Market.

This is the way Pavion presents its first set of accounts — and in an accompanying news release it describes the ploy as "novel" and praises the annual report as "eye-catching and colourful." Certainly, no care has been spared. Inside the box the report is colour co-ordinated to match the goodies beneath — a range of Wet n' Wild lipsticks in mauves, blues, and reds arranged in a pink bri-nylon mould.

Come-down

Overheard during the final approach of the Manchester shuttle to Heathrow: "Oh look, you can see the houses getting cheaper the nearer we get."

Observer

ECONOMIC VIEWPOINT

The role of UK interest rates

By Samuel Brittan

THE BIGGEST obstacle the Confederation of British Industry faces in its new campaign to reduce domestic interest rates is the buoyancy of the UK economy shown in its own trends inquiry.

It still remains true that the British economy has withstood the emergency increases in interest rate last January—which have only gradually abated—far better than most people thought possible.

The June trends inquiry shows order books in manufacturing close to the strongest for eight years.

Even the 25 forecasters tabulated by the Financial Times have become on average more optimistic since the budget. After allowing for one-off favourable distortions, such as catch-up after the coal strike and the rush to order capital equipment before the fiscal subsidies run out, they are still surprised by the strength of the upturn. The much-heralded U.S. slowdown has also had less impact than expected in Europe—partly because the slowdown is in output rather than domestic demand.

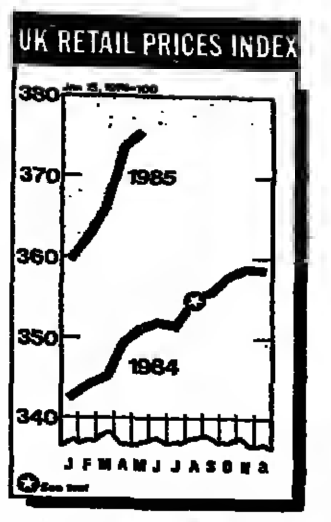
How about the inflation outlook?

The timing of a reduction in the headline 7 per cent rate is affected by the accident of the month-to-month movements of the RPI last year. As the small chart shows, there was a very tiny increase of the RPI between May and June in 1984 and an actual drop between June and July. Thus comparisons now with a very low level of the index.

It is not until August 1985—the figures for which will be published in September—that the headline inflation figure can be expected to show a really sharp drop.

It is true that even these figures are influenced by import costs, which are now rising far more slowly. But domestically generated costs have also accelerated slightly. Even if one discounts the alarmist official estimates of labour costs in manufacturing (because they understate output and productivity) the CBI's own figures suggest that pay settlements have edged upwards.

The main piece of evidence suggesting strong disinflation relates to the reports of a standstill in house prices. In its present mood, however, the Treasury is more likely to press home any advantage on this front than take it as as reason to relax.



The Treasury can now follow two alternative courses of action. It can follow the CBI advice and go all out for a reduction of interest rates sufficient to take 2 per cent off mortgage rates and knock nearly 1 per cent off price inflation for the time being. The aim would be to exert the maximum influence on inflationary expectations at the beginning of the 1985-86 wage round.

Alternatively, the Treasury could concentrate on the ability of companies to *finance* inflationary settlements. There has been a weakening of the whole notion of a fixed wage round following in the wake of key settlements. Ability to pay now seems a much more potent factor than precise perceptions of the inflation rate. This line of thinking would point to keeping sterling as high as can be got away with in order to exert maximum direct pressure on prices, profit margins, and industry's ability to pay higher wages.

Keeping sterling high to exert maximum pressure on prices, profit margins, and industry's ability to pay higher wages

The second line of thinking is the one that policymakers now find the more attractive, whether the CBI likes it or not. This does not mean that sterling will be allowed to become heavily overvalued as in 1980 or like the dollar recently.

If sterling soars well above DM4, or if the dollar crashes, I would expect strong and early action to reduce interest rates. But while the pound is in roughly in its present ball park (which is about the same as the first half of 1984 both on the trade-weighted average and against the mark) I would expect only small and gradual interest rate reductions.

The Treasury's interest rate tactics cannot be divorced from its other battle front against the spending departments. The "new realism" which emerged in the closing years of the Callaghan Government and contributed to the election of Mrs Thatcher in 1979 is a thing of the past. Governments are again expected to provide free lunches.

However many times Mrs Thatcher reshuffles the Cabinet, she is still always left with a spineless majority. One supposedly "dry" Minister after another turns out to be a "consolidator" or one of those who want to stay in power for its own sake, which is a perfect recipe for losing.

How will the Chancellor react to being "boxed in"? Contrary to many City commentators, the Treasury seems to expect the pressure on public spending to come in 1986-87 rather than the present financial year. The London Business School sees no scope for the planned tax cuts in the 1986 and 1987 Budgets.

The Prime Minister and Chancellor will make the most of such estimates to rein in other spending colleagues as much as they can. But the fall-back position is apparent.

If government spending breaks its planned bounds, or oil revenues fall, the temptation will be to preserve some room for tax cuts by offsetting a higher PSBR with fairly tight money. The Chancellor has already prepared the ground with his Budget remark—which was not the favourite sentence of his official advisers — about the balance between fiscal and monetary policy not being "immutable."

If business leaders do not like this mixture, they should ask themselves how they have used the very large increases in profits they have enjoyed.

Observing that companies have used their improved financial position not to invest in new jobs, but to finance pay increases and invest in labour-saving equipment, it would hardly be surprising if policymakers were to ask: "Would the outlook for jobs be any worse and would not the outlook for inflation be much better if the exchange rate were somewhat on the high side and profits a bit more difficult to earn?".

Whether official policy is right or wrong, it is best to discuss it in terms of the instruments which the Treasury and Bank can influence directly, such as public sector borrowing or interest rates—or measure at least roughly such as the exchange rate, output and prices.

The monetary aggregates are now far too misleading for serious targeting. Just as the Bank is right to be scornful of M0 (mostly notes and coin) as other than a spot check on Nominal GDP, so the Treasury is right to scorn its previous favourite child, Sterling M3.

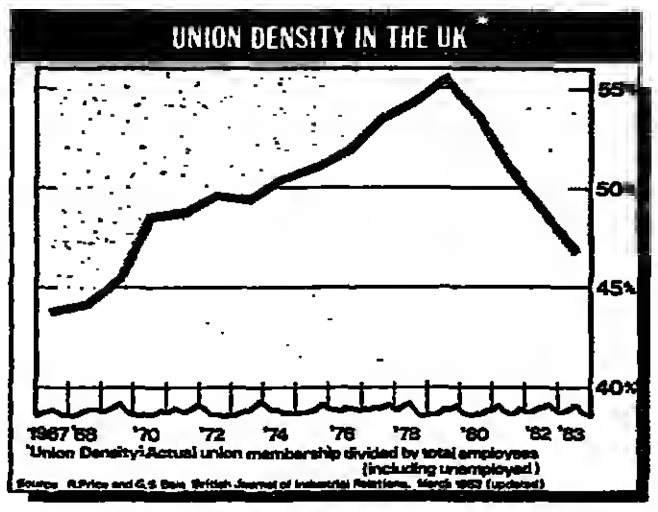
The fall in velocity of this last measure since 1980 has reduced Nominal GDP by £40bn per annum—and twice that amount for anyone who went by the previous rising trend.

What is true is that there has been an unexplained rise in corporate borrowing and a build-up in personal liquid assets. Policy makers hope these represent long-term investments rather than immediate purchasing power, but are none too confident.

They clearly do need weapons to discourage any sudden and unexpected tendency to spend this liquid reserve. Such weapons exist in the shape of interest rate changes and the consumer tax regulator—both especially effective if they are believed to be temporary. If they are politically unpopular, so are more technical-sounding alternatives.

The biggest puzzle about the British economy is in a different area. It is why earnings per head have been rising by 7½ to 9 per cent per annum for nearly two years while inflation has mostly been at 5 per cent, measured productivity growth at around 2 per cent, and unemployment 13 per cent and rising.

Part of the answer is that unemployment is no longer a good measure of economic slack and that many barely acknowledged symptoms of boom—such as rising profits, selective skill and capacity shortages, heavy loan demand and high interest rates—have been with us for some time.



But making all allowances, it does seem that private employers have been paying much larger wage increases than they have needed to. Their *behaviour*—and *especially* that of their personnel departments—represents a lagged response to the growth of union power several years ago, a growth which has now gone into reverse.

The percentage of employees belonging to a trade union reached a peak of 54.6 per cent *for the whole economy* in 1979 and in 1983 was down to 46.9 per cent. These percentages exaggerate the decline. If the unemployed are removed from the denominator of potential membership, the decline is reduced to 4 percentage points. Some of the decline undoubtedly reflects the fall in highly unionised sectors such as manufacturing, as a proportion of total employment, rather than union weakness as such.

Nevertheless, the trend is clearly in the right direction. Specific events, such as members' rejection of strike calls in the public sector, or insistence on ballots, are as important as the "union density" percentages. The great liberating event comparable to President Reagan's victory over the air traffic controllers in his first few months of office, has been the recent victory over the Scargill miners' strike.

Just as the decline in unionisation in the U.S. created the preconditions for the Reagan boom, and the more significant longer term wave of U.S. jobs creation so the less dramatic decline in British union power could create conditions for similar developments here—although they will be slowed by the Cabinet's squeamishness on rent decontrol of new tenancies and Wages Councils.

Too many economists and commentators shy away from these subjects either because of the paucity of formal models for dealing with them, or more likely because of fear of labels such as "anti-union" or "right wing." It is not only Cassandra who is unpopular, but even the bringer of better tidings.

Lombard

A free market in conveyancing

By Sue Cameron

THE POLITICAL arithmetic of ending the solicitors' current monopoly on conveyancing would appear to be simple: there are almost 43,000 practising solicitors in England and Wales—as against some 10m home owners of whom an estimated 500,000 move house each year. Given the numbers involved, it is not surprising that the Government has committed itself to breaking the monopoly by allowing banks, building societies and a new *sub-profession* of licensed conveyancers into the market. Yet the same government is making extraordinarily heavy weather out of honouring its popular *promise in full*.

It appears to have boxed itself into an uncomfortable corner: the Cabinet is understood to be deadlocked over the question of how banks and building societies should be allowed to operate in the conveyancing market; two notable lawyers—Sir Gordon Borrie, Director-General of Fair Trading, and Professor Julian Farrand, chairman of the Government's own committee on conveyancing—have publicly poured *scorn* on some of the arguments being put forward by ministers for limiting the financial institutions' freedom to operate, and there is mounting *criticism in the* press to the effect that the Government is reneging on the spirit if not the letter of its commitment.

The focus for the criticism is *Lord Hailsham, the 77 year old* Lord Chancellor. He is concerned that solicitors employed by banks and building societies might find themselves on the horns of a professional dilemma should the interests of their clients and their employers clash. He believes there would be a particular risk of such conflict of interest arising when it came to solicitors giving objective advice on finance to clients. His preferred solution to the problem is to ban the financial institutions from doing conveyancing for their own—but not each other's—borrowers.

But the result of these arguments is that the Government has laid itself open to attack on a number of fronts:

● Lord Hailsham's opponents say his case does not stand up to sturdy examination. They point out that the professional expertise of solicitors lies in the law—not in financial consultancy

● Free marketeers claim Lord Hailsham's proposals are impractical—and that their real aim is to discourage financial institutions from entering the conveyancing market.

● Some claim that lawyers who have risen to high political office are using their positions to protect their own instead of further the public interest.

This last line of attack is by far the most insidious. But it is also the most difficult to counter — particularly when Lord Hailsham's own arguments, whether right or wrong, are open to dispute. Lord Hailsham himself can lay some claim to being a reforming Lord Chancellor—not least because of the much-needed Civil Justice Review he has initiated. But such considerations are likely to carry little weight with conspiracy theorists who are only too anxious to put two and two together and make six.

Yet perhaps the Government could find ways out of its presentational impasse. It could, for example, ban financial institutions from employing solicitors to do conveyancing—and allow them only to use the new breed of licensed conveyancers who will face no conflict of interest. Or it could adopt a free market approach but draw up formal procedures for employed solicitors to follow if they faced a conflict of interest. It could even leave open the option of reimposing a ban on financial institutions offering conveyancing if practical experience suggested that would be to everyone's advantage. It could also make more effort to ensure banks and building societies did not use their financial muscle to gain unfair advantage in the conveyancing market — perhaps along the lines suggested by Sir Gordon Borrie.

One other possibility would be to take the decision out of the hands of the Lord Chancellor's department, where many officials are lawyers, and give it to the Department of Trade and Industry, which is already responsible for encouraging competition in the professions.

Letters to the Editor

Money purchase pension plans

From the Secretary, Superannuation Arrangements for the University of London

Sir,—In her defence of money purchase pension plans, Geraldine Kaye (June 20), implies that the example of FSSU (federated superannuation system for universities) as evidence of structural unsoundness fails, because what was wrong with FSSU was the choice of investment medium and its performance.

While it is true that bad investment decisions played a large part in bringing the "old" FSSU into disrepute, there were two other significant defects. One of these was inflation, which, just before retirement, could suddenly and irretrievably erode the benefits even of wise investments (and there were some). The other was individual idiosyncrasy. Even where a member was not deliberately perverse—some people did refuse or omit to provide for their families—there was the problem of a change of circumstance late in life. It would be expensive to procure widow's benefits on marriage just before retirement, and impossible afterwards. These are both structural problems faced by any personal pension plan. The element of insurance implicit in a collective employer-sponsored plan works both over time, ie against inflation, and over groups, to equalise relative deprivation.

Please do not suppose that I am saying that money purchase can never work. In a group of papers presented to the Pensions Management Institute (London Region) in 1984, Andrew Wilson, David Wood and I argued that money purchase could have a place in an employer's benefit strategy; I know that Geraldine remembers this, because her last paragraph is an almost word-for-word quotation from my paper.

Our argument was that money purchase should not form the whole of the plan; that the insurance and inflation elements should be catered for by non-money purchase means; and that the overall structure of the plan needed very careful design.

There is no magic wand which will turn money purchase from frog to handsome prince overnight.

Nicholas A. Ryan.
4 Gower Street, WC1.

Plethora of legislation

From the Chairman, Bar Association for Commerce, Finance and Industry.

Sir,—There has been in recent years a growing degree of concern within commerce and industry in general, and more *particularly among those* of us who work as lawyers in those fields, about the increasing volume of legislation on many different subjects with which we have to *comply* and of the consequent burden and cost of compliance. This is not a phenomenon confined to the UK. At a recent conference in Brussels there were presentations by representatives of the national associations of the UK, Germany, France, Belgium and Italy who all expressed the same anxiety that this burden showed no signs of decreasing. The volume of law grows year by year regardless of the political complexion of the Government in office.

One of the problems we face is that there is pressure for more legislation from many different quarters, and it results in new laws from various government departments dealing with diverse subjects. The problem is aggravated by the eagerness of the EEC Commission to push draft directives aimed at the harmonisation of law in many fields regardless in many cases of whether or not harmonisation is either desirable or indeed justifiable by reference to the Treaty of Rome.

In the face of this burden of legislation, it is gratifying to see that the Government now appreciates that something needs to be done about it. The recent Department of Trade and *Industry* report "Burdens on business" shows that for the first time one particular government department has taken it upon itself to look at the problem overall rather than from the limited point of view of its own legislative activity. It is by no means clear as yet to what extent this realisation of the problem will give rise to practical steps to alleviate it, but this at least is a start. It is regrettable in the face of this that another government department, namely the Home Office, was last year wholly unreceptive to protests from the CBI, trade associations, professional bodies and many others concerning the requirement in the Data Protection Act 1984 of registration of the use in electronic data processing of programmes covering personal data. It was an almost universal cause of protest that the requirement of registration of such uses was going to create an enormous and a totally unnecessary administrative burden on *users* of computers and other electronic devices. It seemed strange at the time that a Government committed to restricting the growth of the *public sector* and to reducing the burdens which industry has to bear should impose this unnecessary requirement, and in so doing set up yet another government body in the form of the Data Protection Registrar. Now that the report from the DTI has appeared, this unresponsiveness on the part of the Home Office seems *all the more* remarkable. I would hope, nevertheless, that the publication of this report can be taken as marking a turning point and that all government departments will *from* now on think carefully before proposing new legislation which adds to the overhead burdens which commerce and industry have to bear.

The emphasis in the report is on the burdens, particularly the cost burdens, which compliance with legislation places on small businesses, and this is understandable because of the Government's wish to foster the growth of small businesses. It should not be overlooked, however, that the burden of compliance is also very serious from the point of view of larger companies which are very much in the public eye and whose managements are very anxious to ensure that they comply with the law as far as is humanly possible.

H. Mitchell.
183, Euston Road, N.W.1.

British business schools

From Professor of Finance and Accounting, Cranfield School of Management

Sir,—No doubt adopting the radical proposals by Professors Griffiths and Murray would rather upset the existing cosy arrangements in British university business schools. But surely they are right to argue that most business school staff are too much orientated towards fellow-academics and not enough towards business management.

Does any business school *think* "*The customer is always right*"? Not likely: the business schools claim to know better (like the gentleman in Whitehall?). And as Professor Kennerley points out (June 24), once your snout is in the trough, it's not easy removing it.

Personally, I believe the business schools merely exemplify a more widespread fault. The whole British system of education, as a rule, pays far too much attention to the interests of the producers (teachers) and far to little to the interests either of taxpayers or of the consumers (children, students, parents, employers).

Privatise business schools by all means. But why not privatise all schools?

Prof. D. R. Myddelton.
Cranfield Institute of Technology, Bedford.

Athens airport and security

From the Greek Ambassador, London

Sir,—In your leading article "The impotence of power" (June 25) you state that "the security record at Athens airport . . . *is not good.*" *This is* simply untrue.

The security record is a matter of facts and figures. These show that between 1978 and 1984 a total of 211 hijackings took place around the world. Of these, 62 originated in the United States, and 43 in Europe apart from Greece, as against two in Greece itself.

Even if it may be invidious to single out other airports, it should be stated in order to put this into perspective that over the last 15 months alone three hijackings have originated at Frankfurt, for example, as well as three others in Western Europe.

N. Kyriazides,
Greek Embassy, London.

Retirement relief

From Mr O. Stanley

Sir,—When the Finance Bill 1985 was published in March you were kind enough to print a letter from me drawing attention to Schedule 17 about retirement relief. *In the original Bill* it was proposed that no appeal should lie against the decision of the Board of Inland Revenue as to whether any taxpayer was *ill enough to get this relief.*

I said at the time that if Parliament would accept this it would accept anything. My confidence is restored—Parliament has not accepted this sub-paragraph, and Mr Barney Hayhoe, Minister of State, Treasury, graciously accepted an amendment to throw it out.

It *is important* that the Government sensitivity on this point be recognised. There is, however, another lesson to be learned. At present the Inland Revenue is expressing itself puzzled at its unpopularity throughout the country. When the department adopts this kind of posture, is it any wonder that we suspect the department of overweaning arrogance and a desire for unlimited powers?

Oliver Stanley,
5, The Park, NW1.

FINANCIAL TIMES

Thursday June 27 1985

Baxter Travenol lines up $2.5bn credit

By William Hall in New York

BAXTER Travenol Laboratories, the U.S. medical products group, arranged a $2.5bn credit facility yesterday as speculation mounted on Wall Street that it was about to mount a new bid for American Hospital Supply Corporation.

Details of the loan came less than 24 hours after American Hospital had rebuffed a hostile bid from Baxter Travenol and reiterated its wish to merge with Hospital Corporation of America (HCA) in a stock swap designed to create the world's largest integrated health care group. Baxter Travenol said the loan facility, put together by a group of 21 banks led by First National Bank of Chicago and Morgan Guaranty Trust, was "substantially oversubscribed."

Although the company had indicated that it was unwilling to proceed with an unfriendly bid for American Hospital Supply, there was speculation yesterday that, given Wall Street's growiog unhappiness with the planned HCA/American Hospital Supply merger, Baxter Travenol might change its mind and proceed with a rival bid.

In early trading yesterday, American Hospital shares rose $1½ to $38¾, capitalising the group at $2.8bn. Baxter Travenol said it was extremely puzzled by American Hospital's rejection of its earlier offer which was $15 a share higher than the HCA offer. Baxter had offered $50 a share for American Hospital Supply, half in cash and half in Baxter commoo stock.

London halts tin trading after cash price soars

BY JOHN EDWARDS, COMMODITIES EDITOR, IN LONDON

TRADING on the tin market was suspended yesterday by the London Metal Exchange after a day of confusion, allegations of manipulation, and a spectacular jump of £435 in the price of cash tin to a record level of £10,325 ($13,288) a tonne.

The trouble started when, after a letter of complaint from one of the ring-dealing member companies, the exchange announced that it was holding an immediate investigation into the market situation.

Each member company has to report by 10am today its outstanding tin market commitments with all the other member companies. The idea is to find out why the cash price of tin has risen so sharply, particularly this week.

However, the immediate reaction of the market was for the cash price premium over the price for delivery in three months time to soar, doubling from around £370 to over £800 a tonne – an "intolerable" level, according to Mr Ted Jordan, chairman of the exchange's management committee.

According to Mr Jordan, the exchange is not worried about the market being "cornered," since there were plentiful offers of cash tin yesterday, especially by the buffer stock of the International Tin Council.

What is worrying the exchange is the enormous increase in the cost of "borrowing" tin for a short period (by buying cash tin and simultaneously selling the same amount for future delivery in a few days' or weeks' time). Those unfortunate traders being forced to "borrow" since they cannot meet their immediate commitment to deliver are having to pay as much as £400 a day or £650 for two days.

That is considered to be intolerable, although the buffer stock manager, Mr Pieter de Koenig, has warned repeatedly in recent months that he will expect delivery of any tin sold to him.

Traders who took the risk of selling tin three months ago in anticipation of lower prices are now having to pay a heavy price unless they have supplies available to deliver.

Commodities, Page 36

Italians to present compromise plan on car exhaust wrangle

BY PAUL CHEESERIGHT IN BRUSSELS

SIGNOR Alfredo Biondi, the Italian Environment Minister, will today present a compromise plan in an attempt to solve the wrangle over new and stricter car exhaust standards that has split the European Community.

Environment ministers meet in Luxembourg in an attempt to devise vehicle emission standards that would have the equivalent environmental effect of standards already prevailing in the U.S. That means specifying limits for the emission of carbon monoxide, hydrocarbons and oitrogen oxide.

The Italian plan will be worked out with the European Commission, whose proposed standards, announced early this month, have aroused opposition from the Ten.

West Germany especially thinks the proposed standards are not strict enough and is broadly supported by the Netherlands, Denmark and Greece. Britain and France, who are said to bave been co-ordinating their line for today's meeting, supported by Belgium, consider they are too strict.

There is intense pressure for a rapid settlement. West German legislation, missing only the environmental standard numbers, is poised over the statute book and permits incentives to encourage the purchase of low-polluting cars.

There is concern that if there is no rapid Community solution countries will tend to go their own way, breaking up the internal market in cars at just the time wider efforts are being made to reduce internal trade barriers.

The motor industry is desperate for a clear guideline. In Germany, where the uncertainty is most acute, car sales are running some 20 per cent down on last year.

The Commission proposals, still formally on the table, involve, in the most contentious medium-sized car category with engine sizes of 1400-2000 cc, limits of 30 grammes a test for carbon monoxide, 4 grammes for nitrogen oxide and 8 grammes for hydrocarbons and nitrogen oxide combined.

It is assumed in Brussels that a compromise on the figures is out of reach. Therefore the Italian plan might involve elements leading towards greater flexibility.

Ideas circulating include different standards for different technologies, abandoning the specific nitrogen oxide limit, keeping only the carbon monoxide and combined hydrocarbon-nitrogen oxide limit, and enlarging the margin between the type approval standard and the more relaxed product conformity standard.

Why Bonn cannot yield, Page 2

Lloyd's members to get no 'financial life-boat'

By John Moore in London

A SERIOUS row was developing last night between the authorities of the Lloyd's insurance market and 1,525 underwriting members who face £130m ($165m) of losses.

Relations deteriorated between a steering committee representing 360 of the underwriting members and the London insurance market after Mr Peter Miller, chairman of Lloyd's, told a meeting that no "so-called financial lifeboat" could be provided to help the underwriting members to meet their losses.

Mr Miller, at a morning meeting of underwriting members, disclosed that Lloyd's was to launch a new inquiry into how the underwriting members' affairs have been managed since 1982.

The inquiry team is to be headed by Mr John Davis, president of the Institute of Bankers, who will be assisted by Mr Henry Chester, a leading Lloyd's underwriter, and Mr Alan Brookland, an accountant who has specialised in Lloyd's affairs.

The steering committee of underwriting members said last night that Lloyd's moves "are unsatisfactory and provide no prospect of a solution to this affair."

The committee, led by Lord Goodman, said that all the available evidence "points to misconduct and mismanagement of the underwriting members' affairs during the period 1968 to 1982 and particularly in the mid-1970s. The proposed inquiry into events since 1982, when new management took over, will not satisfy those members who intend not to pay money without first being satisfied that the deficits are properly due and are not related to fraud and malpractice of earlier years."

Underwriting members are angry that they are facing £130m of losses after £40m of their funds was misappropriated by two former managers of an underwriting agency who are now living abroad. Mr Miller said yesterday: "We share the outrage of the members upon whom a theft of £40m was perpetrated."

The underwriting members had been looking to Lloyd's to mount a rescue operation but at yesterday's meeting Mr Miller ruled that out. The one thing the ruling council cannot do, he said, "is to provide some sort of so-called financial lifeboat and thus depart from the principle that we each individually have to respond for our share of the losses if, unhappily, they occur."

Mr Miller disclosed during the course of yesterday's meeting that Lloyd's investigators have confirmed the decision by Sir Peter Green, the former chairman of Lloyd's to close his own personal inquiry into the PCW underwriting agency just months before the scandal erupted in 1982.

Investigators said there was no attempt "by the chairman of Lloyd's to cover up anything either before or during the course of his informal inquiry. During the inquiry he asked all the right questions." Mr Simon Tuckey QC, heading the investigation into the affair, said that Sir Peter "concluded, rightly in my view, that there had been no dishonesty." Sir Peter had been studying the way in which an insurance contract had been arranged with the Unimar company in Monte Carlo.

● Mr Miller indicated yesterday that profits at Lloyd's for the last completed underwriting account will be "in the region of £50m," a sharp fall on the previous figure of £152m.

Cold comfort, Page 4

THE LEX COLUMN

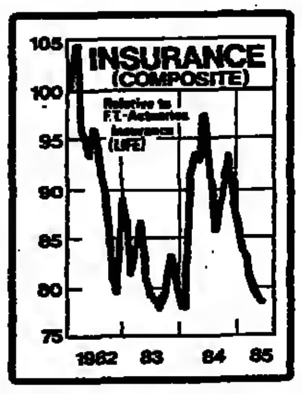
Mercury below the horizon

When Cable & Wireless's 1984-85 figures came in above expectations yesterday, analysts tried their best to find some bad news tucked away in the announcement. After all, in the present market climate, any news from an electronics company makes the share price go down – and true to form, C & W's shares lost 15p to close at 500p.

Stripping out currency gains of £20m and Hong Kong Telephone's first full year of contribution, profits growth of something like 10 per cent does look a little pedestrian for a company on C & W's rating. But this analysis is rather unfair. C & W's business involves very high fixed costs with almost negligible incremental costs, and in the UK and the U.S., it is spending a lot of money building up infrastructure without yet reaping a reward. Start-up losses for Mercury, at £11m, are now at their peak and the operation should be breaking even by 1986-87. The U.S. ventures, too, should see margins improving from this year on, as higher volumes feed through to profits.

C & W's bread-and-butter business, like operating telephones in Hong Kong, is still showing healthy volume growth, while its new ventures are risky but potentially highly lucrative. China seems happy to spend money on its infrastructure, and with only one telephone for every 200 people, there are a lot of homes still to be wired up. Mercury, meanwhile, is the only UK company that can say boo to British Telecom – while BT has an obligation to service loss-making lines, Mercury can pick only the profitable ones and should therefore be able to charge less for them. All that relies on Oftel and the courts allowing Mercury access to the BT network – but the indications are that the Government will welcome as much competition as possible.

So, assuming the company makes around £285m this year, its prospective multiple is just over 13 – about a point more than BT. But if BT is the index-linked gilt of the sector, C & W is the unsecured corporate bond with higher rewards.



Selincourt

The only thing that is clear about Jennifer d'Abo's bid for Selincourt is that the fight will be close. Her shell company, Stormgard, now has around 40 per cent of acceptances, but Selincourt is still hoping that the trickle of acceptances being withdrawn might turn into a flood in time for tomorrow's close.

The best argument in Selincourt's favour is that the present management has transformed the company from a recession-hit disaster to a business making fairly respectable 8 per cent margins. It seems a little unfair to snatch success away now. Shareholders are being offered an *historic exit p/e of over 12 – not* exactly stingy for a textile company – and if the bid fails, the rights issue Selincourt will need to rebuild its reserves is bound to depress tha share price. There is no evidence that Ms d'Abo could run the company any better; shareholders should only accept the offer if they are not prepared to back the existing management by putting up more money.

Royal/LLA

If the owners of Abbey Life feel that they sold half of that business a little too cheaply, yesterday's purchase of Lloyd's Life by Royal must have been galling. Royal is paying seven times the notional net worth of Lloyd's Life or roughly the same multiple of prospective earnings as Abbey Life commands at yesterday's market price.

Admittedly, Royal is paying the premium needed for control and will see some short-term dilution. Lloyd's Life should declare a surplus of some £4.5m this year, which will not cover the net investment income on the £94m purchase price. Meanwhile, the deal will depress Royal's solvency margin some points to 60 per cent, which is lower than any of the composites but Commercial Union.

Royal shareholders can scarcely cavil. Royal may well be the best equipped of the composites to ride the upturn in the U.S. underwriting cycle, but the memories of the through last year are still fresh: any improvement in the stability of Royal's earnings would be welcome – even if there were no growth prospects in the UK life sector.

As it is, Royal gains access to a fast-growing, unit-linked business and to an able management which the foreign bidders on the short-list might have had some difficulty keeping. While the expatriate business of Lloyd's Life is a useful addition, Royal will, presumably, still be keeping its eyes open for life expansion in the U.S. and Australia.

Ferranti

At one point yesterday morning it seemed as if the market had Ferranti tagged as the company that would lead the other electronics majors to share prices below 100p. It was only necessary to read the words "uncertain demand" and "development costs" for the jobbers to mark the shares down 10 per cent, and to do so on results which were perfectly respectable: a pre-tax profit of £46m for the year to March still represents growth of almost a fifth, which is more than the rest of the sector has had to show for itself lately.

It takes a brave investor to go out and buy electronics shares at present, even on good results. Perhaps the problem is that even if Ferranti continues its growth in the current year – to perhaps £55m – that leaves the shares at 112p on a prospective multiple of about 12 times. That is modest by the standards of last summer, but it is still a premium rating and maybe a touch exposed at present.

The deeper reason for caution over Ferranti is the amount of its order book that relates to the Tornado project; without export sales, or a positive decision on the Eurofighter, avionics may be a bit stretched to earn its keep after 1989. And this year may prove that not even the most highly customised of chips can entirely avoid the silicon cycle. Between these two poles – long-term doubts in defence and immediate pressure in chips – Ferranti's excellent growth record may be getting harder to sustain.

Renewed attacks in S. Africa

Continued from Page 1

cent rioting between township and migrant hostel workers which cost 18 lives.

Three grenades exploded killing three more men in Duduza near Nigel and another man was killed in the same way in Kwathema township near Springs, also on the East Rand.

A limpet mine killed another man elsewhere in Kwathema which was also the scene of an attack on the black suffragan bishop of Johannesburg, the Rev Simeon Nkoane. The bishop escaped unhurt when three masked men fired several shorts at him after setting fire to his house.

Meanwhile, Umtata, capital of the "independent" black homeland of Transkei, was deprived of water and power yesterday after three separate limpet mine explosions.

Police and army troops cordoned off government buildings and thousands of people were evacuated from offices as they searched for more bombs. The explosions follow a robbery at the Bank of Transkei on Monday when armed raiders stole R350,000 ($178,500) in an operation which police believe may have been aimed at securing finance for further terrorist activity in an area which is traditionally a stronghold of ANC support.

At the conclusion of its 10-day conference held in secret at Kabwe in Zambia the ANC announced its intention to step up the armed struggle against the South African Government and warned that the distinction between "hard" physical targets and "soft" human targets was likely to disappear in the process.

● An ANC spokesman in Kusaka refused comment on the attacks, Reuter reports. Questioned about Transkei attacks, be said: "So far we have no comment to make," adding that "we are also unable to comment on the... grenade attacks. Ten deaths were caused by the blasts in South Africa, where unrest has claimed more than 450 lives in 18 months."

UK restarts fuel oil purchases in bid to conserve coal stocks

BY IAN HARGREAVES AND MAURICE SAMUELSON IN LONDON

THE UK Central Electricity Generating Board (CEGB) has resumed purchases of fuel oil in an apparent attempt to conserve coal as it rebuilds stocks in preparation for next winter.

The board is also running at least one oil-fired power station – at Richborough on the Kent coast in south-east England. That is a departure from normal seasonal practice, since oil-fired stations are much more expensive to run than coal or nuclear stations and are normally switched off in the summer.

At this stage, CEGB oil purchases are thought to be relatively modest – two consignments totalling 50,000 tonnes have been purchased. But the move appears to reflect concern that the board might not be able to meet its target of 23m to 24m tonnes of coal in stock by November.

That is the target agreed with the Government, which is anxious to ensure that the country should be able to withstand any disruption to coal supplies caused by industrial action in either the coal or the rail industry next winter.

At present, just over 14m tonnes of coal is at the power stations, compared with about 11m tonnes when the year-long miners' strike ended in March.

Although the rate of deliveries from the National Coal Board has increased from 1.3m tonnes a week in early April to about 1.7m tonnes a week, there is concern that on current levels of coal-burn, the stock target may not be met. Between the end of May and the end of June, the stockpile increased by only 1m tonnes.

The board has also drawn down almost all its supplies of imported coal from its stockpile in Rotterdam.

Concern about stock levels has been heightened by the chilly early summer weather in Britain, which is requiring the CEGB to produce about 7 per cent more power than normal for this time of year.

The board is also believed to be suffering from a maintenance backlog on the coal plants that were kept going throughout the miners' strike. Its nuclear plants, too, are operating slightly below normal levels.

Whether the board will resort to even larger oil purchases is still under debate in Whitehall. The industry takes the view that a stockpile of normal commercial size – between 17m and 20m tonnes – is sufficient.

It is still not clear whether the cost of holding stocks above that level will be met by higher electricity prices next spring, or by some form of deferred payment scheme, which loads the cost on to the coal board. The deferred payment mechanism was used in the stock-build that preceded the miners' strike.

Berri offers to move hostages

Continued from Page 1

the world community failed to react."

David Housego in Paris writes: France gave a cautious welcome to Mr Berri's proposals while making it clear it had no intention of playing the role of mediator.

Officials said that the Government had not been informed in advance of the proposals and bad not received eny official request from Mr Berri. But M Roland Dumas, the Foreign Minister, postponed his departure for a Franco-German meeting in Bonn to take charge of the issue.

A Foreign Ministry statement stressed that France was always available to help in protecting human life and went on to condemn strongly the taking of hostages and said they had an "unconditional" right to freedom.

In Vienna, the Austrian Foreign Ministry also said that in principle it would be willing to offer the use of its embassy in Beirut if that would help to save lives.

Israel, meanwhile, denied that it was about to free more of the estimated 735 south Lebanon detainees it is holding and repeated that further action would depend on the security situation on its northern border.

Reginald Dale in Washington writes: The hostage crisis has led to a marked increase in the number of Americans who believe that the U.S. should distance itself from Israel so as to reduce the danger of anti-American terrorism in the Middle East, according to a nationwide opinion poll

The poll appeared to confirm fears in Israel that its uncompromising public stand on the hostages may be undermining usually loyal American support for the close U.S.-Israeli relationship. It comes as number of U.S. officials are hoping that Israel will spontaneously release more than 700 Shia prisoners, as demanded by the hostage-takers, rather risk further deterioration in its vital relations with the U.S.

World Weather

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Lawson rebuffs UK industry

Continued from Page 1

terest rates were threatening company finances.

"Company profitability last year was the highest ever recorded. Investment reached an all time high, and CBI surveys point to a further rise this year."

The CBI had told him that a 1 percentage point rise in interest rates cost industry £250m in a full year.

But Mr Lawson retorted: "One per cent extra on pay costs over £1bn a year and earnings in the private sector have risen by around 9 per cent, well above the rise in the cost of living.

"So lower pay settlements are far more important to business, even than lower interest rates. Furthermore, if wages rise less fast and industry borrows less, that in itself will tend to bring about lower interst rates." It would also help in the creation of jobs.

Mr Lawson's stern lecture to industrialists appeared to leave the CBI unmoved, however. Sir Terence Beckett, the CBI's director general, replied that high rates on home loans (partly the result of the high level of short-term interest rates) were "an increasingly sensitive factor in wage bargaining."

In a statement, he said that the CBI was concerned about the level of wage settlements, but interest rates needed also to come down to make Britain more competitive.

The public altercation between the Treasury and representatives of industry is the sharpest since 1982, when the CBI challenged the official view that the economy was recovering strongly.

Industry which was still suffering from very low profitability as a result of the recession had been calling for some relaxation of policy. This had prompted Sir Terence to make his famous speech at the 1980 CBI annual conference offering a "bare knuckle fight" with the Government, unless help were given to industry.

SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday June 27 1985

Michelin set to launch first bond for six years

BY PAUL BETTS IN CLERMONT-FERRAND

MICHELIN, the French tyre group, is planning to return to the international capital market next week after an absence of six years with o Euro-franc convertible bond issue of up to FFr 500m, senior Michelin directors disclosed at the company's headquarters last night.

This is the first Euro-franc convertible bond issue by a French private company since the Paris monetary authorities re-opened the Euro-franc bond market last month.

The new issue is part of the world's second largest tyre group's efforts to restructure its balance sheet. Michelin is expected to follow up its Euro-franc convertible bond issue with a bond issue with warrants on the domestic markets of around FFr 1bn. Senior Michelin executives indicated in Clermont-Ferrand last night that these issues might be followed later with an equity rights issue.

The company obtained agreement from its shareholders last Friday to raise new equity by means other than rights issues for a value of up to FFr 3bn. But Michelin executives said the company was not expected to taka up thet full amount immediately but was envisaging raising about FFr 1.5bn in the near future.

The company's decision to return to the international capital markets reflects the recovery of the group's fortunes after three years of consecutive losses.

M François Michelin, chairman of the tyre company which is France's second largest private concern, confirmed yesterday that the company expected to be close to break-even this year after a net loss of FFr 2.2bn ($233m) in 1984.

The company operated profitably in the first quarter of this year and cash flow is expected to total FFr 1.7bn in the first balf of 1985, roughly equivalent to cash flow in the whole of last year. Sales are expected to rise to around FFr 50bn this year from FFr 44.3bn in 1984.

After four years of expensive rationalisation throughout Europe the group's net debt has risen to about FFr 30bn supported by only FFr 10bn in equities.

Terms for the Euro-franc convertible bond issue have not been set, but M Behrouz Chahid-Nourai, Michelin's finance director, promised there would be a novel incentive for investors. The lead managers of the issue are Lazard Frères of Paris and Credit Suisse First Boston of London.

Michelin shares have staged n strong rally on the Paris bourse in the wake of Michelin's cautious optimism about the future expressed at the company's annual meeting last Friday.

Renault to hive off agricultural activities

By David Housego in Paris

RENAULT, the French state car group, is to hive off its loss-making agricultural activities.

This was disclosed yesterday by M Georges Besse, the new chairman of the company, who also confirmed that the group was pulling out of Renix, its electronics joint venture with Allied Automotive of the U.S., and was negotiating for General Motors to absorb a substantial part of the output from its Gomez Palacio engine plant in Mexico.

The new measures, announced after a Renault board meeting, are in line with M Besse's strategy of cutting costs and focusing the group's activities on car production.

The decision to hive off Renault's agricultural activities is n prelude to further efforts to negotiate a link-up with another agricultural machinery producer. Renault's agricultural division lost FFr 200m–FFr 300m ($21m–$32m) last year on a turnover of FFr 2.6bn. Renault has about 18 per cent of the French tractor market.

M Besse denied that Renault had any intention of abandoning its agricultural division. But its future has become more problematic since Tenneco, which took over International Harvester, made clear it was not interested in a technical or sales link with Renault. Earlier Renault, pushed by the French Government, had been interested in taking over IH's French activities.

Renault incurred losses last year of FFr 12.5bn. M Besse has already announced that the group would be cutting back its workforce by 21,000 over the next two years and has indicated that it intends to reduce car production capacity to 1.6m vehicles a day

Renault had a 51 per cent stake in Renix, which has a high growth potential but is costly in investments. Allied has been eager to buy Renault's share and market Renix's products to other European car manufacturers.

IBM–MCI ALLIANCE THREATENS AT&T DOMINATION OF U.S. TELECOMMUNICATIONS

Telephone battle lines drawn up

BY PAUL TAYLOR IN NEW YORK

HAD American Telephone & Telegraph's corporate elite been schooled in current U.S. street parlance, they might have described IBM's strategic alliance with MCI Communications as "totally awesome" – and for good reason.

Under the surprise deal, IBM will fold its Satellite Business Systems telecommunications service toto MCI, acquiring in the process an initial 16 per cent stake in MCI, set to rise to 30 per cent. It will create an alliance bringing together the world's largest computer maker and AT&T's main rival in the cut-throat long-distance telephone business.

As it was, Mr Randall Tobias, chairman of AT&T Communications, still the nation's dominant long-distance carrier, confined himself to more genteel comments. He noted simply that "IBM has now staked out a very big role in the long-distance market."

Yesterday, as more details of the IBM/MCI agreement emerged, Mr Tobias' comments were seen by Wall Street and industry experts as perhaps understating the full impact of the deal.

The deal will provide MCI – whose freewheeling, hattling origins still tinge its corporate image – with respectability and an entrée into the big business market for telecommunications. "This is the most important aspect of the agreement," says Mr Harry Rosenthal of Wall Street analyst Bear Stearns.

By combining SBS's satellite systems and expertise in data transmission with MCI's proven marketing record in winning individual accounts, the new organisation will be better equipped to compete with AT&T.

Equally importantly, MCI is likely to gain access to IBM's computer technology as a result of the deal – a potentially vital ingredient in the telecommunications marketing battle as voice and data systems and technology converge in the office and as AT&T steps up its own pusb into the information processing industry.

The deal will instantly make IBM one of the biggest players in the turbulent domestic long distance telephone market, give it access to MCI's electronic mail system and – following MCI's recent aggressive expansion overseas, particularly across in Europe – provide a possible basis for IBM's long-held dream of a global communications network linking computers around the world.

Although IBM is playing down its potential role as a "deep pocket" for MCI, the computer giant will be providing it with much-needed new capital. MCI's earnings and share price have come under increasing pressure because of the enormous costs of expanding its system, the high costs it faces to connect its customers to local telephone networks and AT & T's surprising aggressiveness in marketing its own long-distance services.

Under the terms of tha deal IBM will be delivering not only the SBS network itself, valued at $360m oo the basis of the 45m MCI shares IBM will obtain as a result, but also up to an additional $505m in fresh capital.

While the merger of SBS into MCI represents something of an admission of defeat for both IBM and SBS in their attempts to win a major portioo of the cut price telephone market – SBS's owners have pumped more than $1.3bn into the venture but bave garnered less than 1 per cent of the $45bn-a-year market – the deal could accelerate the already apparent shake-out of the industry, putting new pressure on other long distance carriers like GTE Spring, Allnet and ITT.

It also indicates that while IBM is determined to be a long-term player in the telecommunications market, it has learned some lessons from the SBS experience. SBS, which has oever made money and lost an estimated $114m last year on revenues of $290m, bad been forced to switch from providing advanced commercial services to the more mundane business of selling cut-price long-distance services to individual customers.

In the end, with SBS not expected to make a profit before 1987 at the earliest and Comsat, one of the three original partners with IBM and Aetna, pulling out last year, IBM clearly concluded its best hopes lay in allying itself with MCI. Wall Street analysts also note that by acquiring the MCI equity stake, IBM is following a tried and tested strategic route which has earlier led to its acquisition of a 20 per cent stake in Intel, the chipmaker, and its equity position in Rolm, the advanced communications equipment manufacturer which IBM eventually acquired in a $1.26bn deal eight months ago.

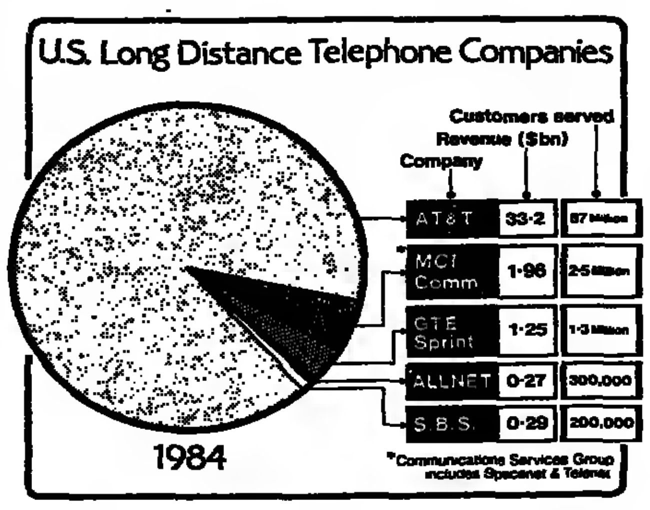
Some believe IBM could eventually end up acquiring all of MCI, a possibility that neither company will comment on at present.

While the agreement is likely to put pressure on AT&T, it could have some longer-term positive implications for the telephone giant. In particular, it may lead both to a more general acceptance that AT&T does indeed face competition in the long-distance business and pressure the FCC to ease continuing restrictions on it.

Mr Tobias said: "This announcement should put to rest any remaining questions about the strength of the competition in the telecommnnications business," apparently a reference to AT&T's consistent claim that it controls only around 64 per cent of the "competitive" long-distance market – and not the 80 per cent plus which the bald figures suggest.

Pointedly, be added: "There is now scant reason for maintaining any regulatory restraints imposed on AT&T. While some of its competitors, especially GTE Sprint, have recently been arguing for a limited re-regulation of the telephone market to ensure competition, AT&T bas asked the Federal Communications Commission to hasten the deregulation process – including removing the restrictions which force AT&T to maintain a separate structure for its regulated long-distance telephone business and unregulated activities such as computer equipment sales.

But as far as Wall Street is concerned, the bottom line is clear. AT&T's shares continued to fall yesterday while IBM and MCI both gained. Mr William McGowan, MCI's chairman, is widely credited for leading the battle in the 1970s against the AT&T telephone monopoly, and the IBM deal is likely to further increase the heat in the long-distance telephone market. "In the coming war with AT&T, MCI oow bas a working ally in IBM," says Mr Rosenthal of Bear Stearns.



Gould takes $150m charge as microchip sales decline

BY TERRY DODSWORTH IN NEW YORK

THE depressed conditions in the U.S. semiconductor market claimed another victim yesterday, when Gould, the Illinois-based electronic systems and defence group, announced a $150m write-off in the second quarter to cover cuts in its semiconductor operations.

The company's decision follows similar moves by several other leading U.S. electronics manufacturers, including a $75m charge earlier this week at Mostek, the semiconductor subsidiary of United Technologies.

Gould said yesterday that the continued deterioratioo in the semiconductor market and resulting losses in its manufacturing operations were forcing it to contract. The charge would cover obsolete assets, plant reductions, inventory valuations, offshore facilities and interest in overseas joint ventures.

Excluding the special write-off, the company expects earnings from continuing operations for the second quarter to be about 15 per cent below the 41 cents a share it earned in the first quarter of this year. Full-year earnings per share, again excluding the special write-off, are forecast to be slightly below the $1.98 reported for 1984.

Gould put the blame for what it called an "extreme contraction and realignment" in the semiconductor industry on intense foreign competition and excess worldwide capacity which had caused a sharp drop in prices.

"As a result of the special write-off and substantial cost-reduction measures, we expect that our semiconductor operations will return to profitability during the second half of 1985." The company added that the major focus of its future activities would be in the custom business, for standard cells, gate arrays and custom foundry programmes.

Intel, the Californian semiconductor manufacturer in which IBM has a 20 per cent stake, is to cut its worldwide staff of 24,200 by 950 to reduce its cost structure in the face of "continued adverse conditions" in the semiconductor industry.

The staff reduction is the second made by Intel this year.

As part of the cuts, Intel is to phase out its oldest and smallest wafer fabrication plant in Santa Clara because it is no longer large enough to be cost effective.

Nobel Industries will sell hydropower assets

BY DAVID BROWN IN STOCKHOLM

NOBEL Industries, the industrial group formed last year by the takeover by Bofors, the armaments and chemicals concern, of KemaNobal, Sweden's biggest chemicals group, is oegotiating the sale of its hydropower assets to a consortium of domestic insurance companies for about SKr 1.6bn ($179m).

Last year's SKr 3bn takeover of KemaNobel, engineered by financier Mr Erik Penser, stretched Bofors' resources and more than halved the company's equity-assets rotio to 12.9 per cent.

The new group, which with annual sales of some SKr 12bn is one of Sweden's 20 largest industrial companies, still faces a major task to improving its relatively low profitability.

"Hydropower is a very low-yielding asset, and we need the cash, for example to pay off our loans," explains Mr Jan Kihlberg, the finance director.

The negotiations come in the midst of two other major asset disposals by Mr Penser worth a total of some SKr 1bn.

● On Monday, the J.S. Saba wholesale and retail trading group sold its Svea property subsidiary for SKr 600m. This followed the announcement late last week of the SKr 465m sale of his 27 per cent stake in Kinneik, the investment group.

Portuguese commercial bank off to good start

BY DIANA SMITH IN LISBON

THE first commercial bank to be established in Portugal in more than a decade made its formal appearance this week.

The Banco Commercial Portuguesa, based in Oporto, has signed its formal deeds after being granted a licence to operate two months ago. It was founded by a group of bankers and businessmen who subscribed capital Es 3.3bn ($19m) which is twice the minimum compulsory requirement.

The bank's appearance nt the head of a queue of local applicants for commercial banking or building society licences is seen as an indication that entrepreneurs are ready to apply capital to dynamic new ventures, in spite of Portugal's long-running government crises.

The fact that the bank's founders raised double the minimum required capital has encouraged the authorities to believe that new privately-owned domestic institutions can start off on a strong footing and operate effectively

Most of the founders are from Oporto, traditional breeding ground for Portuguese private banking and hub of private industry. Several have shares in Sociedade Portuguesa de Investimentos (SPI), the first Portuguese financial institution to be formed after the 1975 revolution led to the nationalisation of private banks.

Borrowers risk capped floaters

BY ALEXANDER NICOLL IN LONDON

THREE more borrowers, iocluding Italy as the first sovereign name and Nederlandsche Middenstandsbank as the first Dutch bank, were prepared yesterday to risk a waning appetite among investors for the Eurobond market's latest fad – floating-rate notes with a maximum coupon.

A feature in a generally dull market across Europe was National Westminster Bank's plan to issue its first Swiss franc bond. Terms on the SwFr 300m issue, due to be indicated today by its subsidiary Handelsbank, will include the first issue of equity warrants by a British bank.

In the dollar Eurobond market, prices lost ground initially but recovered to show small gains on the day, though the performance was patchy with investors continuing to be selective.

In an ottempt to fuel demand for capped FRNs, Bank of America Internotional and Merrill Lynch Capital Markets combined the structure with the mismatch formula which is showing modest revival after falling from favour. Italy's $300m 12-year issue is at n quarter point above the London interbank bid rate (Libid) for six-month deposits.

The maximum coupon is 12⅛ per cent, and under the mismatch formula, the interest rate is set every month but paid every six months, enabling buyers of the bonds to fund their holdings with cheap short-term money.

The mood of yesterday's market was such that the combination of two well-worn complexities tended to limit rather than augment demand. S. G. Warburg, leading a $100m capped FRN for NMB, took the alternative route of setting n low seven-year maturity and n fairly generous margin of n quarter point above six-month London interbank offered rates (Libor). The maximum coupon is 12¾ per cent. A shortage of Dutch paper in the market also argued for a relatively favourable response.

The other issue of this type was a $100m, 12-year issue for Wells Fargo, the U.S. bank, at a quarter point above three-month Libor, led by Goldman Sachs International. The maximum coupon is 13 per cent, and the issue is subordinated. Its new twist is that the borrower may call it after five years ot par.

Traders reasoned that capped FRNs, though meeting less than enthusiastic market receptions, could continue for the time being because they are swap-driven. Provided profitable swaps can be arranged with borrowers seeking the protection of the interest rate cap, such as U.S. savings and loan institutions, the method is still worthwhile.

With investors shying away from such complexities, a straightforward FRN from Fortune Federal Savings & Loan of Florida won n fair reception. Led by Credit Suisse First Boston with Salomon Brothers International, it is a $100m seven-year issue nt ⅛ point above three months Libor, collateralised by U.S. federal and other mortgage securities. The notes will be callable in two years time at par and will be registered.

Other issues in more unusual currencies sought niches in the market. Toronto Dominion Bank launched a NZ$50m three-year issue with a 16⅝ per cent coupon at par, led by Goldman Sachs International.

Meanwhile a New Zealand borrower, an overseas vehicle of Development Finance Corporation, made an issue in Australian dollars. The A$50m, five-year issue has a 13 per cent coupon and is priced at 100⅝ per cent, led by Orion Royal Bank with Security Pacific.

Both issues met a difficult market. More successful was an Ecu 50m three-year issue for Club Méditerranée's U.S. subsidiary. The French holiday centre concern was warmly received despite a poor Ecu market yesterday and was quoted well within its fees. It has a 9 per cent coupon and is priced at par. The issue was led by Banque Paribas and Banque Bruxelles Lambert and another French borrower is expected in the market today.

In Switzerland, the Inter-American Development Bank offered n two-tranche SwFr 200m issue split evenly between 10-year and 20-year bonds, led by Crédit Suisse. The shorter maturity had an indicated yield of 5⅝ per cent, and the longer was said to be doing better with an indicated yield of 6⅛ per cent.

Southmark Corporation, a U.S. real estate concero, is expected in the market next month with an issue of up to SwFr 120m.

There was limited selling in the D-Mark Euro bond market, with high quality domestic issues attracting greater interest. There were no new issues, but today the Bundesbank will issue the expected totals of new issues for July.

As competition continued for the first issue in Euro-yen floating-rate notes, Banque Française de Commerce Extérieur issued a Y40bn, 10-year Samurai bond with a 6.7 per cent coupon and 99.55 per cent pricing, led by Nomura Securities.

CIR to offer convertible bond issue

By Alan Friedman in Milan

CIR, the Turin-based financial and industrial holding company controlled by Sig Carlo de Benedetti, the chairman of Olivetti, is to launch a Eurobond issue convertible into shares of the company listed on the Milan bourse. The issue will be for up to Ecu 80m ($57.6m), and will represent the first-ever Ecu Eurobond which is convertible into Italian domestic shares.

The CIR issue, to be offered in September and lead-managed by Credit Suisse First Boston, Morgan Stanley, Deutsche Bank and Euromobiliare (the Milan investment bank which is 20 per cent owned by Sig de Benedetti), follows last month's decision by Pirelli to launch Eurobond issues convertible into Italian shares. In addition, Montedison, the Milan-based chemicals group, is also offering investors part of a bond convertible into its shares.

The newly emerging trend, whereby Italian private-sector companies are able to sell Eurobonds convertible into Milan-quoted shares, reflects in part the improving credit rating for Italy in general and also the spectacular performance of the Milan bourse in recent months.

BHF Bank bond average

June 26		Previous
103.026		103.096
High	1985	Low
103.096		99.840

International bond service, Page 17

INTL. COMPANIES & FINANCE

Conic sees return to black this year

By Patrick Smith in Hong Kong

DESPITE CONTINUING losses in 1984, Conic Investmeot Company, once Hong Kong's leading electronlcs mannfacturer, indicated yesterday that it is now confident of completing the recovery process it began e year ago and finishing 1985 in the black.

It reported a net loss of HK$27.34m (US$3.52m) for the year to December, compared with a loss of HK$262.5m in 1983. Extraordinary losses were reduced from HK$111.6m to HK$48.5m leaving the attributable deficit at HK$75.84m against HK$374.10m.

At the same time, company officials reported an operating profit of HK$12.18m for last year's fourth quarter, which they believe signals Conic's return to profitability after its near-collapse a year ago.

Turnover for the year increased 18 per cent to HK$1.44bn. The company also noted an unaudited profit of HK$40m for the first five months of this year, e period that includes the traditionally slow Chinese New Year period.

No 1984 dividend was declared, however.

Conic became mainland China's first major investment in Hong Kong's manufacturing sector when Sin King Enterprises, a joint venture between the Bank of China and China Resources, purchased e 34.8 per cent interest in January 1984. The deal cost Sin King HK$178.4m.

Subsequently, Conie also became China's first open market takeover in the colony. By May 1984 Sin King had discovered that irrecoverable loans worth HK$217m had been made by Mr Alex Au Yan-Din, Conic's chairman, to private companies controlled by Mr An.

He and aix other Conic directors — the entire board before Sin King bought its stake — resigned and were replaced by executives with strong mainland ties. Mr Xue Wen Lin, Conic's current chairman, was formerly a senior official et the Bank of China.

Last November Conic issued HK$295m worth of new sbares, all of which were absorbed by Sin King, in an effort to reconstruct Conic's capital base.

Of last year's extraordinary losses, Mr Xue attributed HK$21.6m to interest payments on the debts of Mr Au's private associated company, the Honic Group. An additional HK$25.8m was attributed to debts incurred elsewhere by Mr Au, who has left Hong Kong, and other former directors.

Elscint chairman resigns after slide into losses

BY DAVID LENNON IN TEL AVIV

MR AVRAHAM SUHAMI, the founder and executive chairman of Elscint, the Israeli manufacturer of medical diagnostic imaging equipment, has resigned following the announcement of e slide into the red.

Elscint, tha only Israeli company listed on the New York Stock Exchange, reported net lossea of U.S.$33.8m for the year to March, compared with profits the previous year of $12.6m. On a per-sbare basis the deficit was $2.05 against earnings of 78 cents. Revenues totalled $147.6m compared with $132m.

The news came es a sbock in Israel, where the company bad long been regarded as the success story end the flagship of Israeli high-technology industrlea.

Mr Suhami said he was resigning because "the loss resulted from the business strategy of which I was tha author and executor, and I must take responsibility." He will continue to bead the company's marketing operation in the U.S., a position he took over in April this year.

Elscint's problems appear to bave stemmed from too rapid an expansion, including the purchase of the U.S. marketing operation of the rival Xionlcs at the end of 1983. This failed to produce the boped-for growth in sales last year which bed been projected at $220m.

Mr Uzia Galil, the ehairman of Elron Industries, whicb has e 29 per cent steke in Elscint, has takeo over as ehairman. He said yesterday that the company is basically bealthy because it has good products. Elscint now intends to concentrate on maintaining its sales level while cutting production and operating costs as much as possible.

The company manufactures a range of medical equipment which takes pictures inside the human body. These include computerised axial tomographs (CAT) scanners, ultrasound imaging, nuclear medical imaging, digital radiography and nuclear magnetic resonance.

Elscint, founded in 1969, owns manufacturing plants and research centres in Boston, Cbicago, Oxford, Paris, Milan, Haifa and Jerusalem. The company generates 97 per cent of its revenues outside Israel. Most of its capital came from overseas and 55 per cent of the voting rigbts are held abroed.

Amatil boosts net profits by 27% at six months

BY OUR FINANCIAL STAFF

AMATIL, the diversified Australian tobacco group 40 per cent owned by BAT Industries of the UK, yesterday reported a 27 per cent boost in net profits to A$29.1m (US$ 19.4m) in the belf-year to April, up from A$22.9m.

However, this was struck before extraordinary charges of A$3.6m, compared with credits in the previous first half totalling A$4.2m. This left the attributable result lower than that of the 1983-84 period, at A$25.5m against A$27.1m.

Nonetheless, the company—wbich ranks number three in the Australian tobacco Industry—is to pay an increased interim dividend of 12 cents e share, up from 11 cents.

Turnover grew from A$792.6m to A$845.1m, and Amatil said all its main divisions contributed well to profits. The performance of the tobacco side came in the face of intense competition, it said, while earnings from snack foods rose considerably.

Wong Sulong adds from Kuala Lumpur: Operating profits of Malaysian Tobacco Company, just under two-thirds owned by BAT, rose 80 per cent to M$58.9m (U.S.$24.3m) in the first half to March, on turnover ahead by only 2 per cent to M$391m.

The company said the performance was attributable to increased operating efficiencies and productivity improvements which came on stream during the second half of the last financial year.

Net profits were 82 per cent higher at M$34m, representing earnings of 16.8 cents per share compared with 9.3 cents previously. The Interim dividend is being increased by one cent to 10 cents.

Panama venture capital move by Mitsubishi

THE MITSUBISHI Group of Japan is next month to establisb a venture-capital company in Panama to invest in U.S. bigh - technology companies advancing into the Latin American country, agencies report from Tokyo.

Mitsubishi Corporation, the trading housa whlcb is the leading partner in tha project, said the group had already obtained approval from the Japanesa Ministry of Finance.

The company, to be called Pan-Pacific Venture, will have an Initial capital of $6.5m. This will be provided by Mitsubishi International, a U.S. subsidiary, as well as Neiji Life Insurance, Mitsubisbi Trust and Banking, Nikko Securities, Toppan Printing and Mitsubishi Bank.

● Nomura Securities Investment Trust Management, a subsidiary of Nomura Securities, said yesterday it had signed an agreement in Los Angeles to link with Security Pacific Investment Managers to exchange information on investors in each other's country.

Nomura, Japan's largest securities house, has tied up with several European banks but this is believed to be its first link with a U.S. company.

● First Boston said in New York that First Boston Corporation, its U.S. investment banking subsidiary, has been granted a licence from the Japanese Ministry of Finance to conduct a full securities business in Japan.

Esso Australia ahead

ESSO AUSTRALIA, a refining, cbemical producing and marketing unit of Exxon of the U.S., boosted net profits 35 per cent last year to A$38.9m (U.S.$25.9m), up from A$28.9m, agencies report from Sydney.

Revenue totalled A$1.04bn against A$903m. The company attributed the increased profits to an improved economic climate in Australia, which brought stronger demand for petroleum products and better prices.

Tax took A$269m against A$191m, while the dividend to its parent was A$36.9m after A$27.5m.

Esso believed the return on assets remained unsatisfactory at 8.9 per cent, although this bad improved from the previous 6.5 per cent.

HK Land Singapore sale

HONGKONG LAND, tha debt-laden property group, said yesterday it had agreed to sell its trading businesses in Singapore to tba UK-incorporated Cold Storage Holdings, *AP-DJ reports from Hong Kong.*

No price was disclosed, althougb Hongkong Land said the sale was at book value.

The operations being sold include nine retail supermarkets and phermacies, which bava operated under the name of Fitzpetrick's, as well as associated wholesale, export and ship supplies operetions and its distribution centre at Jnrong.

Hongkong Land said the sale excluded a 120,000 sq ft commercial complex built around one of the Fitzpatrick's stores. It will also retain the Fitzpatrick's name, which was establisbed in Singapore in 1946. This would allow it to renew operations in Singapore at a later date.

Tha trading operations were part of Hongkong Land's Dairy Farm foods subsidiary. Cold Storage already operaies retail outlets in the island stete through Cold Storage Singapore.

Hongkong Land said the sale was in keeping with its policy of shedding assets wblch do not form pert of its core operations. This was in order to reduce its debt, which stands at abont HK$11bn (U.S.$1.42bn).

In the company's annual report for 1984, Mr Simon Keswick, its chairman, noted that the trading operations bad a "difficult year" in the Singapore market, "whicb continues to be influenced by depressed consumer spending and the oversupply of retail facilities."

Company Notices

ITO-YOKADO CO., LTD.
(CDRs)

Referring to the advertisement of 18th February, 1985 the undersigned announces that the new shares from 10% bonus have been received. As from June 28th, 1985 the new CDRs Ito-Yokado Co., Ltd. each repr. 100 Dep.Shs. of 10 Shs. cum div.no. 28 s.c.a. and talon will be gratuitously obtainable at Kas-Associatie N.V., Spuistraat 172, Amsterdam against delivery of 200 div.cps.no. 27 of CDRs repr. 5 Dep.Shs. of 10 Shs., 20 div.cps.no. 27 of CDRs repr. 50 Dep.Shs. of 10 Shs. and 10 div.cps.no. 27 of CDRs repr. 100 Dep.Shs. of 10 Shs.

Combination of denominations is possible.

In Luxembourg div.cps. no. 27 can be delivered at Banque Generale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg for this purpose.

After 26.7.1985 the equivalent of the CDRs which have not been claimed by the holders of div.cps.no. 27 will be sold. The proceeds, after deduction of expenses, will be held in cash at the disposal of said holders.

Referring to its advertisement of 18th June, 1985 the undersigned announces that by error div.cp.no. 27 of the CDRs Ito-Yokado Co., Ltd. has been designated for the cash-dividend, however, div.cp.no. 28 must be used for this purpose.

AMSTERDAM DEPOSITARY COMPANY N.V.

BANQUE NATIONALE DE PARIS
US$150,000,000
Floating Rate Note due 1999

In accordance with the provisions of the notes, notice is hereby given that for the interest period from June 27 1985 to December 27 1985 the notes will carry a rate of interest of 8⅜% per annum.

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE $2.50 COMMON STOCK J. P. MORGAN & CO. INC.

A CASH distribution of $0.55 per Depositary share will be payable on or after the 22 July 1985 upon presentation of Coupon No. 60 at:—
Morgan Guaranty Trust Company of New York
30 West Broadway
(Corporate Trust Department, New York)
35 Avenue des Arts
Brussels
Morgan House
1 Angel Court
London
82 Frankrijklei
Antwerp
at the designated rate less applicable taxes.

This distribution is in respect of the regular quarterly dividend payable on the common shares P.V. $2.50 J. P. Morgan & Company Incorporated on the 15th Jul 1985.

TAYLOR WOODROW INTERNATIONAL FINANCE B.V.
US$ 20,000,000 8¼% CONVERTIBLE GUARANTEED BONDS 1999

PURSUANT to the terms of issue of the above-mentioned Bonds you are hereby notified that on 14th June, 1985 Taylor Woodrow plc provisionally allotted 11,019,218 ordinary shares of 25p each by way of rights to holders on the basis of 1 ordinary share of 25p each for each 5 ordinary shares held on 7th June, 1985. As a result of the Rights Issue the price at which the Bonds will be convertible into ordinary shares of 25p of Taylor Woodrow plc was adjusted with effect from the 18th June, 1985 in accordance with Condition 6(C)(i)(6) of the Bonds from 247p to 240p per share.

NOTICE OF PURCHASE
US$100,000,000 Kingdom of Denmark
11¼% Bonds due 1st June 1990

Notice is hereby given to holders of Bonds of the above issue that US$3,000,000 nominal was purchased during the twelve month period ending 1st June, 1985.

The principal amount of Bonds remaining in circulation on 1st June, 1985 was US$79,800,000.

Union Bank of Switzerland (Securities) Limited

INTERNATIONAL COMPANIES and FINANCE

740 JOBS GO AS WORKLOAD TAILS OFF

Technip forced to make new cuts

BY DAVID HOUSEGO IN PARIS

TECHNIP, France's leading engineering and industrial processing contractor which came close to bankruptcy last year, is further slimming back its workforce by a quarter in an effort to get back on its feet.

M Pierre-Marie Valentin, the new president of the group, said that the further cut of 740 in the group's labour force was based on a sharp tailing-off of the group's workload from October of this year and on reasonably optimistic assumptions of new orders that could be won. But M Valentin, who was giving the first details of the group's recovery plans, said that its future could only be assured within the context of a rationalisation of the French contracting sector to prevent wasteful competition.

He also disclosed yesterday that Technip had run up FFr 1.42bn of consolidated losses last year. Of this FFr 400m was due to net losses on Technip contacts, FFr 155m to financial charges and FFr 195m to overhead expenses.

M Valentin confirmed that the company would like an industrial group to take e majnrity stake in Technip to complement its design and contracting arms. Amnng groups being mentioned as potentially interested are the French construction and engineering concerns Spie-Batignolles, Bouygues, and Dumez. M Valentin did not exclude a foreign company taking a stake.

Technip's existing shareholders – which include Elf-Aquitaine, the state-owned oil group – the banks and the state have pumped FFr 2bn ($212m) into the company to wipe out losses and rebuild its capital. When compared with the group's current 2,875 workforce, this makes it one of the most costly rescue packages in France in recent years. The Government believed, however, that, after the collapse of Creusot-Loire, it was vital to bail out Technip to maintain the credibility of France's name in export markets for capital goods.

In addition Creusot-Loire Enterprises, the engineering subsidiary Technip purchased from Creusot-Loire, made losses on contracts of a further FFr 420m, while the group'a Canadian and Spanish subsidiaries were also in deficit.

French banks have waived debts of FFr 420m and the group has been re-established with a new capital base of FFr 300m.

M Valentin said in addition to Technip'a traditinnal activities as a plant manufacturer for the chemical and refining industry it was seeking to break into new markets.

These included automation and robotics, the food industry and management consultancy in project coordination. He warned, however, that the company was operating in an international environment of overcapacity and where tha Japanese above all were ready to slash prices.

Among major contracts Technip is negotiating are a methanol plant in Argentina, a gas treatment and a petrochemical plant in the Soviet Union, and a float-glass plant jointly with St-Gobain in Egypt.

Oriflame acquires Swedish jeweller

By Jeffrey Brown in London

ORIFLAME, the direct selling cosmetic group which has London listing, is paying £14.8m ($18.7m) for control of Guldfynd, the largest jewellery retail chain in Sweden.

Guldfynd, which runs 101 shops mostly in Sweden, has sales of around £25m a year. For 1984 its profits were £1.8m, down sharply from the £3.5m made before tax for 1983.

The deal represents a major addition to Oriflame's existing jewellery interests. These centre on the mail order company Lagonda, which for 1984 achieved sales of £5.4m.

Guldfynd's profits for last year were hit by e combination of poor trading and the absence of the gold stock profits taken in for 1983. There were also shop start-up costs

Oriflame, which is registered in Luxembourg but controlled from management headquarters in Belgium, is confident it can quickly get Guldfynd's earnings moving upwards once again.

It bases its confidence on a new management team for Guldfynd plus trading rationale. Guldfynd operates at the lower quality end of the jewellery business whereas Lagonda can provide a much needed move into higher-priced, higher-margin lines.

The acquisition transforms Oriflame's sales base. For 1985 turnover is likely to split evenly between cosmetics and jewellery. Prior to the deal, Lagonda accounted for only a fifth of group turnover.

Guldfynd brings with it a strong balance sheet which includes cash of around £5m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for June 26.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90	100	100⅞	101⅜	−0⅛	−1½	10.55
Amex Credit 12⅜ 88	150	105⅝	106⅛	−0⅛	−1⅝	10.38
Bank of Tokyo 13⅜ 91	100	112¼	112¾	+0¼	−1¾	10.70
BP Capital 10½ 94	100	† 98	98½	0	0	10.81
BP Capital 11⅛ 92	150	101¼	101¾	+0⅛	−1⅜	10.77
Canada Nat Tele 13¾ 91	100	112½	113	0	−2	10.75
Canada 11½ 90	500	104⅝	105⅛	−0⅛	−2	10.13
Canadian Pac 12½ 99	75	107¼	107¾	+0⅛	−1¾	11.39
CBS Inc 11½ 92	100	100⅞	101⅜	−0¼	−2⅜	11.12
Chevron U.S.A. 12¼ 89	600	103¾	104¼	−0⅛	−1¼	10.99
Citicorp 11½ 95	150	99⅞	100⅜	0	0	11.47
Coca Cola 11¾ 91	100	105⅞	106⅜	−0¼	−2⅛	10.35
Denmark Kingdom 11¼ 89	100	101⅜	101⅞	−0⅛	−0¾	10.89
Denmark Kingdom 11½ 90	100	101⅝	102⅛	−0¼	−2⅜	10.97
Denmark Kingdom 11½ 92	100	101½	102	−0¼	−2¼	11.10
Denmark Kingdom 13¼ 91	100	109⅞	110⅜	−0¼	−2⅛	10.90
Denmark Kingdom 14 91	100	108⅞	109⅜	+0⅜	−1⅜	11.77
E.E.C. 11⅛ 90	100	101⅞	102⅜	−0¼	−2	10.48
E.I.B. 12 95	200	105⅞	106⅜	−0⅛	−2⅛	10.94
E.I.B. 13 98	200	108¾	109¼	0	−2⅛	11.51
Export Dev Corp 12 89	100	105⅛	105⅝	0	−1⅝	10.36
Ford Motor Cred 11¾ 00	100	101½	102	−0¼	−0⅜	10.84
Ford Motor Cred 11⅞ 95	100	100⅞	101⅜	−0⅜	−1½	11.40
Ford Motor Cred 11¾ 92	100	102¼	102¾	+0⅛	−2	11.19
Ford Motor Cred 12 95	100	104⅝	105⅛	−0¼	−0¼	11.12
Gen Elec Credit 10¼ 00	200	99⅜	99⅞	0	−1½	10.29
GMAC 10¾ 89	200	99¼	99¾	−0¼	−1½	10.49
IBM Credit 10⅞ 2000	300	99¾	100¼	0	−1⅞	10.36
Indust Bk Japan 12⅞ 89	100	107⅝	108⅛	−0⅛	−1⅜	10.46
Japan Air Lines 13⅛ 94	180	116¾	117¼	−0¼	−1⅝	10.39
Kellogg Company 10⅞ 90	100	100⅞	101⅜	0	−2⅛	10.51
Kellogg Company 11¼ 92	100	102¼	102¾	0	−2	10.67
L.T.C.B. 12⅞ 91	100	108⅝	109⅛	+0⅛	−2	10.84
Macy Cred Corp 11⅞ 95	100	103¼	103¾	−0¼	−2⅞	11.11
Mellon Bank 12 87	100	105⅜	105⅞	−0⅛	−0¾	9.95
Merrill Lynch 12¾ 89	100	104⅞	105⅜	+0⅛	−1	11.14
Minnesota 11½ 87	100	102⅞	103⅜	0	−0½	9.80
Mitsui Trust 11⅞ 00	100	102½	103	0	−1⅝	10.88
Morgan Guaranty 12¾ 89	150	105½	106	0	−1¾	10.60
Nippon Cred Bk 13⅞ 89	100	110	110½	+0⅛	−1¼	10.62
Nth America 12⅞ 91	100	† 103⅞	104⅜	−0⅝	−2⅜	11.87
Penney J C 12¾ 91	100	107⅝	108⅛	−0¼	−1⅝	10.92
Pru Realty secs 12½ 95	546	105¾	106¼	−0¼	−2¾	11.05
Quebec Hydro 11½ 92	100	104	104½	−0½	−2½	10.62
Ralston Purina 11¾ 95	150	103⅝	104⅛	−0½	−2½	11.07
Ralston Purina 12¾ 89	100	107	107½	−0⅜	−1½	10.58
Royal Bk Can 12¼ 92 XW	100	101½	102	−0⅜	−1⅜	12.33
Saskatchewan 10 3/4 92	100	100	100½	−0⅛	−2⅛	10.67
Saskatchewan 11 7/8 89	100	105	105½	+0⅛	−1⅛	10.29
Statoil 13½ 89	100	110	110½	+0⅛	−1¼	10.28
S Wales Tony 11⅞ 00	150	103¾	104¼	+0⅛	−1⅞	10.83
Swed Exp Cred 10 92	100	95⅛	95⅝	−0⅛	−0⅝	10.76
Swed Exp Cred 12¼ 89XW	100	105⅛	105⅝	−0¼	−1⅜	10.75
Sweden Kingdom 10⅝ 90	200	100⅝	101⅛	+0⅛	−2⅛	10.62
Sweden Kingdom 11½ 89	200	103⅛	103⅝	−0¼	−1⅞	10.47
Sweden Kingdom 11¾ 94	100	104⅞	105⅜	0	−2⅛	10.89
Texaco Capital 12⅞ 87	300	104⅞	105⅜	0	−1⅛	10.09
Tokai Asia 11½ 95	100	102	102½	0	−2	11.11
Victorian Rep 11⅝ 92	150	103⅝	104⅛	+0⅛	−2⅛	10.70
World Bank 12¼ 94	150	108	108½	−0⅛	−2½	10.78
World Bank 12⅞ 94	200	110⅞	111⅜	0	−2⅝	10.88

Average price change On day −0⅛ on week −1¾

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	103⅛	103⅝	0	+0⅛	7.45
Austria Republic 7⅝ 94	200	102⅞	103⅜	+0⅛	+0¼	7.10
Baxter Travenol 7¼ 94	200	101¼	102	−0⅛	−0⅜	6.99
Credit National 8½ 94	200	104½	105¼	+0⅛	0	7.33
Degussa Int Fin 7½ 94	100	103⅞	104⅝	0	+0¼	6.92
E E C 8 92	200	103⅞	104⅝	+0⅛	+0⅛	7.15
E I B 7¼ 94	300	† 99⅞	100⅜	0	−0⅛	7.22
Escom 8 92	150	100	100¾	0	+0⅛	7.92
Ferrovie Dello Stato 8 91	100	103¼	104	−0⅛	+0⅜	7.29
Finland Republic 7 92	200	99⅝	99⅞	−0⅛	−0¼	7.18
[illegible]						

SWISS FRANC STRAIGHTS

[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Republic 7 95	30	99½	100	+0⅛	0	7.83
BP Overseas 7 92	17	104¼	100⅞	0	−0¼	6.90
Fed Natl Mort 6⅞ 92	50	96⅞	96⅜	+0⅛	−0⅛	7.83
Finland Republic 6¾ 90	15	99¼	99¾	0	−0¼	6.87
World Bank 6⅞ 90	25	98¼	98¾	0	−0¼	6.74

Average price change On day +0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 13¼ 90 $A	40	103⅛	104⅛	0	0	12.21
Avco Fin 14 00 $A	35	100⅝	101⅝	0	+0¼	13.67
BT Aust. 13⅞ 92 $A	40	103⅞	104⅞	0	0	12.85
Westpac 13½ 88 $A	50	101¾	102¾	+0⅛	+0¼	12.52
Bell Canada 12¼ 97 C$	125	† 104⅝	105⅛	0	−1⅜	11.46
British Columbia 12 00 C$	125	† 102⅝	103⅛	0	−1⅜	11.17
Can Nat Rail 12½ 95 C$	100	† 104¾	105¼	−0⅛	−2¼	11.68
Chrysler Cred 12⅝ 92C$	60	† 102⅛	103	0	−1¼	12.01
Desjardins 12½ 90 C$	50	† 102⅝	103⅛	+0⅛	−0⅜	11.88
E.I.B. 12 95 C$	73	† 102	102⅛	+0¼	−1¼	11.60
New Brunswick 11⅝ 95C$	75	† 99⅝	100⅛	−0⅛	−1⅝	11.64
Nordic Inv Bk 16 00 NS	50	100	101	0	−0½	15.80
NZ Forest 15¾ 92 NS	30	96¼	97¾	0	+0¼	16.45
Woolworth 16¼ 91 NS	25	101⅛	103	0	0	15.80
N.Z Govt. 9¼ 00 ECU	100	99⅝	100⅛	−0⅛	−1	9.21
N.Z Govt. 9½ 92 ECU	100	99¾	100⅛	−0¼	−0¾	9.47
Rabobank 9⅝ 95 ECU	75	102⅞	103⅝	−0¼	−0¾	9.10
Eurofima 7½ 92 FL	50	101	101⅛	0	0	7.28
Philips Lamps 7½ 90 FL	100	101¼	101¾	−0¼	−0⅝	7.12
Rank Xerox 8 00 FL	100	102¾	103¼	0	0	7.26
Van Lanschot 7½ 90FL	50	100¾	101⅛	0	−0⅛	7.25
World Bank 7½ 00 FL	150	100¾	101¼	0	−0⅛	7.24
Gaz de France 11¼ 00FF	500	99¾	100¼	+0⅛	−1⅜	11.24
American Brands 12 95 £	40	103¾	104¼	+0⅛	−0⅛	11.27
Amer Express 11⅝ 92 £	30	103⅛	103⅝	0	0	10.63
Australia Comm 11 92 £	40	98⅜	98⅞	−0⅛	+0¼	11.28
BP Capital 10¾ 92 £	50	97¾	98¼	0	−0⅜	11.15
E.I.B. 11⅛ 93 £	50	100⅜	100⅞	+0⅛	+0¼	10.98
Inco 12¾ 93 £	50	102⅞	103⅜	0	−0¼	12.06
Mcdonalds 10⅞ 00 £	40	98⅞	99⅜	0	−0⅛	11.10
Norsk Hydro 11⅛ 91 £	50	101¾	102¼	0	−0⅛	11.10
Privatbanken 11⅞ 92 £	20	100⅛	100⅝	0	+0⅜	11.77
Rank Xerox 11 92 £	40	98¾	99¼	0	+0¼	11.28
Royal Trustco 11⅜ 90 £	30	99¾	100¼	0	+0½	11.34
Sier Drug Cap 10⅞ 90 £	30	98¼	98¾	0	0	11.27
Swed Exp Cred 11⅛ 92 £	50	100⅛	100⅝	0	−0¼	11.27
Tsthouse Forte 11⅛ 90£	50	97¾	98¼	−0⅛	0	11.66
World Bank 11¼ 95 £	100	101¼	101¾	+0⅛	+0⅜	10.98
E.C.S.C. 10½ 94LF	100	104¾	105¾	+0⅛	−0⅛	9.80
Nat Lux Alum 16½ 92 LF	600	105⅜	106⅜	0	−0⅝	9.33

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
B.B.L. Int 5 99	0⅛	100⅜	100⅝	11/10	9⅝	9.68
Banco di Roma 5¼ 92	0	99¼	99⅛	24/5	7.98	8.03
BankAmerica O/S 5¼ 99	0⅛	99⅝	99⅞	28/6	8.81	8.83
Bank of Montreal 3 96	0⅛	100⅝	100⅞	29/7	9¼	8.88
Bankers Trust 3 2000	0	99⅜	99⅝	11/6	9.31	9.36
Bankers Trust 5¼ 96	0⅛	100	100¼	4/9	8.55	8.55
B.F.C.E. 5¼ 99	0⅛	100⅜	100⅝	13/9	10.06	10.01
B.N.P. 5¼ 99 (July)	0⅛	100⅛	100⅜	22/7	9⅛	9.10
C.C.F. 5¼ 97	0	99⅜	99⅝	22/8	10⅝	10.68
Chase Man'tn 5¼ 2009	0⅛	99¾	100	5/8	9.69	9.70
Citicorp O/S 5¼ 98 Sep	0⅛	99½	99¾	19/12	11.10	11.23
Credit Lyonnais 5¼ 98	0⅛	100⅜	100⅝	11/10	9.69	9.64
Dresdner Fin 5¼ 88	0	99⅞	100⅛	25/6	9⅜	9.38
Ireland 5¼ 87	0	100	100¼	28/10	9.69	9.68
Ireland 5¼ 99	0	100⅛	100⅜	14/9	10	9.98
Italy, Republic 3 94	0⅛	100	100¼	12/11	8⅞	8.86
Lloyds Euro 5 2004	0⅛	100	100¼	18/10	9⅛	9.11
Midland Bank Perp 5	0¼	99¼	99½	10/6	5	5.03
Nat West – Perp 5 88	0⅛	100¾	101	13/11	9⅞	9.85
Nat West Perp A 5¼ S	0¼	99⅛	99⅜	9/7	5¼	5.29
Nat West Perp B 5¼ S	0¼	99⅛	99⅜	9/8	5¼	5.29
Queensland Coal 5¼ 96	0¼	100⅜	100⅝	12/11	9	8.96
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	2/8	12.81	12.91
Sweden Perp 5¼ 8S	0⅛	100	100¼	9/7	9.44	9.43
Tokai 5¼ 99	0⅛	100¼	100½	12/6	9.94	9.98

Average price change On day 0 on week −0¼

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	98⅛	99⅛	+1¼	3.24
Fanuc 3¾ 99	1/84	7032.3	141¾	143	−0⅜	33.98
[illegible]						

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: [illegible]

Floating Rate Notes: [illegible]

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

UK computer group in £5m U.S. deal

By Jason Crisp in London

APPLIED Computer Techniques, the fast-growing UK personal computer group, has signed a deal worth nearly £5m ($6.35m) with Microsoft, a leading U.S. software company.

The agreement will give ACT worldwide rights to all Microsoft's products. The deal also means that Microsoft products will become available for ACT computers more quickly. Previously they have not been available until six months to a year after they have been released for rival machines made by IBM and Apple.

ACT hopes this will improve its credibility in the U.S. market, where it has been having a difficult time, as well as increasing the number of programs available for the UK and other European markets.

Microsoft, which also has very close links with IBM and Apple, developed the MS-DOS operating system which is effectively the industry standard for 16-bit business personal computers and is used by ACT.

ACT has been developing increasingly close links with the U.S. company. Last autumn Microsoft launched its network software in the UK with ACT, which was able to offer the product before IBM. It enables personal computer users to link them in a network which means they can readily share expensive peripheral equipment such as printers and mass-memory storage devices.

One result of this latest deal will be that ACT will offer Microsoft's Windows software on its top range computers. Windows is expected greatly to increase the number of applications programs which can be run on any computer.

Accounting at US bank under investigation

By William Hall in New York

THE U.S. Securities and Exchange Commission (SEC) has launched an investigation into some of the accounting practices of Texas Commerce Bank, which has been hit by problems in U.S. energy lending.

Texas Commerce Bancshares, the parent of Texas Commerce Bank, disclosed that the investigation was taking place in a filing with the SEC. The commission is examining whether alleged "window dressing" by the group's main subsidiary materially affected its financial statements between 1981 and 1984.

Texas Commerce Bank, in common with several other banks in the state, was reprimanded by U.S. banking officials for "window dressing" last year, by inflating certain balance sheet items for the end of certain periods.

The SEC is also reviewing Texas Commerce's loan loss policy and procedures for determining its allowance for possible credit losses. Earlier this year the bank announced its first profits setback after a 16-year record of unbroken earnings growth.

UK COMPANY NEWS

Break even point expected at Mercury 'within two years'

Exchange gains boost Cable & Wireless

BY JASON CRISP

Cable and Wireless reported a 29 per cent rise in pre-tax profits to £245m against £190m. This figure included a £20m boost from exchange rates.

The results were slightly higher than expected, but did little to help the depressed electricals sector. After several sharp flutcautions C and W's shares closed at 500p down 50p on the day. Most of C and W's business is in overseas telecommunications, which has not suffered from the problems which have beset so many of the world's electronics companies.

The figures show a sharp increase in profits in the Far East and South Pacific reflecting a strong performance from the Hong Kong Telephone Company and the rapid growth in telecommunications between Hong Kong and China.

Turnover for the group rose 28 per cent from £673m to £862m for the year ending March 31 1985. Revenues from the Far East and South Pacific rose to £451m representing 52 per cent of the total compared with £334m last year, a fraction under 50 per cent.

The main losses for C & W came from its new businesses in the UK—Mecury, the telephone network to rival BT, and Easylink, an electronic mail service. UK turnover was £1m and the losses were £11m which reflects the very heavy investment in the Mercury network and the fact that it has only just started connecting customers.

Capital investment in Mercury to date has been £88m—which includes the costs of buying out C & W's former partners BP and Barclays Merchant Bank. C & W said yesterday that the total initial investment in Mercury would £199.2m. Mr Ernest Potter, finance director, said he expected Mercury would break even within two years. This could happen sooner if Mercury woo a favourable judgment from the Office of Telecommunications on the rules for interconnection with BT's network.

Sir Eric Sharp, chairman of C & W, said he expected Mercury would become a "significant contributor to group results" within five years with a turnover of hundreds of millions of pounds.

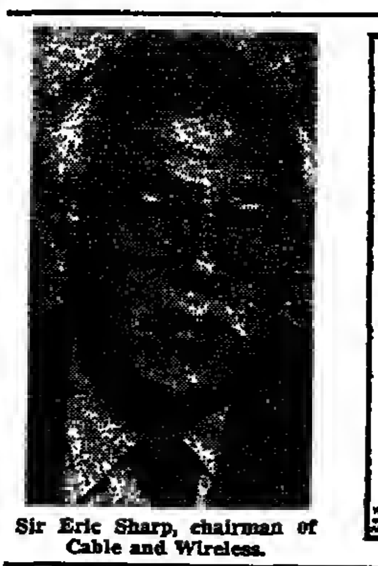
C & W reported a fall in profits and turnover under the category of Europe and Projects. The main reason for the decline was because of lower earnings from a large project in Saudi Arabia. This division also included C & W (UK Services) and Eurotech which have recently been sold. The loss sustained in the disposal of these companies appears as an extraordinary item of £2m.

Capital investment of £262m is expected to stay at about the same level this year according to Sir Eric Sharp. However expenditure in the Far East (£105m last year) and in Mercury (£88m) is expected to increase.

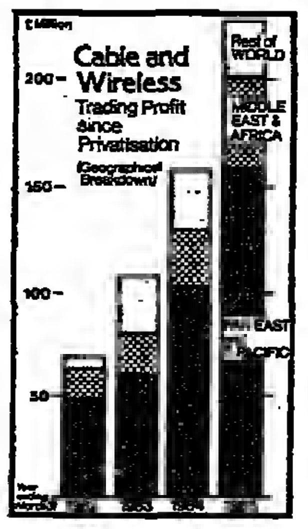
Sir Eric said yesterday that there were no plans for a rights issue in the near future. In the longer term C & W will have to look for ways of financing P-TAT, the two trans-Atlantic optical fibre cables which it is planning to build in a joint venture with Tel-Optic of the U.S. The two cables are expected to cost up to $600m. The company may sell a share in the cables to a company which wanted to buy substantial capacity.

The directors have recommended a final dividend of 4.9p making the total dividend for the year of 7.8p.

See Lex



Sir Eric Sharp, chairman of Cable and Wireless.



Rotork diversifies with £18m purchase

By Charles Batchelor

Rotork, a leading British manufacturer of valve actuators, is paying up to £17.5m for Protech Instruments & Systems, a privately owned maker of instruments used in process control.

This represents Rotork's first significant attempt to diversify out of valve actuators, which presently contribute 80 per cent of the company's business. Actuators are devices which respond to pneumatic or electric signals to open valves in pipelines, gas and water distribution systems.

Protech had net assets of £1.04m at November 29, 1984 and made a profit, before directors' emoluments and tax, of £1.43m on turnover of £3.5m in that year. This compared with profit of £1.35m on turnover of £2.8m the year before.

Protech, a Luton based company, was set up in 1972, and now employs 80 people making a range of analogue and digital circuit modules. It is jointly owned by the remaining two of its three joint founders, Dr Brian Cook, 41, and Mr Arthur Mead, 49.

Dr Cook said: "We knew we had to do something about the ownership of the company. Neither of us relished the idea of going for a full quote, so we decided to become part of a larger company. There have always been plenty of suitors and we have received four serious offers in the past year."

Rotork holds a significant share of the international actuator market, which is both specialised and mature. The potential for rapid growth, is limited, Rotork said.

It decided on instrumentation as an area in which to make acquisitions because of the high degree of overlap with its current activities. Many of the two companies' customers are the same in the steel, pharmaceutical and power industries.

Rotork will make an initial payment of £8.6m to be funded by the issue of a total of 7.4m new shares. Of these 2.5m will be retained by Dr Cook and Mr Mead while 4.9m were placed yesterday with institutions at 114p per share, a total of £5.6m.

The purchase price is based on a six-times multiple of annual net pre-tax earnings of Protech. The initial payment of 8.6m will be adjusted in line with Protech's performance in the 12 months ending December 1985.

Further deferred payments will be payable depending on the Protech's profits up to December 1990 with a maximum of £17.5m. Any further payments would be made in cash, though the vendors have an option to part of these payments in the form of Rotork shares, based on an issue price of 120p per share.

Rotork's shares were unchanged at 120p yesterday.

Wary electronics sector unimpressed by Ferranti's £46m

THERE WAS progress in all of Ferranti's main trading operations in 1984-85, and the pre-tax outcome showed a rise of nearly 19 per cent to reach a record £46m.

This, compared with £38.8m last time, was at the lower end of market expectations, and with an electronics sector in no mood to accept any more bad news after Racal and Plessey, the shares dropped 12p to 104p on the announcement. They later recovered to close et 112p.

Turnover for the period to March 31, 1985, was up 26 per cent to £567.9m (£451.7m) and produced operating profits 25 per cent ahead at £50.2m against £40m. Margins were virtually unchanged at just under 9 per cent.

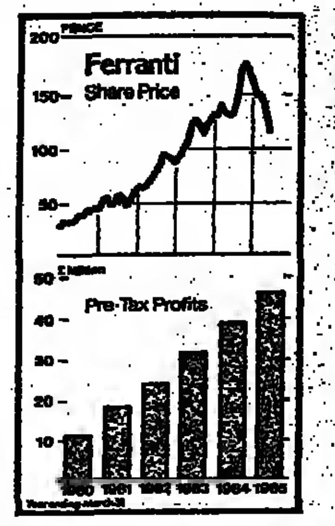
The taxable result suffered from a substantial increase in interest costs, up from £1.2m to £4.2m, less investment income. This reflected a cash outflow of £31m in the year.

Capital expenditure on new plant, facilities and acquisitions increased by £20m to £51m. Year end borrowings at £25.4m—compared with deposits of £5.2m last time—represent 13 per cent of assets employed.

In his review of operations, Basil de Ferranti, group chairman, says that electronics produced excellent results as a record level of orders have been executed in the new, high efficiency, production facilities brought on stream in 1984. Although the long term outlook for the semiconductor industry remains good, demand in the short term is uncertain, he adds.

Among other activities Venus Scientific and Ferranti GTE are not currently in profit. After a period of high development and initial marketing costs both are now introducing new technically advanced products to their particular markets—power supplies and telecommunications—respectively.

The tax charge for the year was up from £10m to £15.6m, with the effective rate increased from 26 to 34 per cent. The basic rate of corporation tax in the UK was reduced from 50 to 45 per cent but the effect of this was more than offset by the ending of stock relief, the absence of credit for ACT previously written off, and changes in the rates of capital allowances.



Net profits came out at £30.4m against £28.8m. Minorities accounted for slightly less at £0.4m against £0.6m, with attributable profits shown at £30.7m against £29.3m.

The directors are recommending a final dividend of 1.04p, up from an equivalent 0.88p, for a total of 1.56p. This is an increase of 0.24p over last year, and will account for £6.7m (£5.6m). Earnings per share are shown at 7.17p against 6.86p.

There was an extraordinary loss of £0.7m (£3.9m) representing costs on the closure of the container handling equipment business less tax relief and the loss on the sale of a business. An extraordinary charge of £3.2m last time was a provision for deferred tax.

Highlights from the balance sheet show fixed assets of £105.8m compared with £83.3m, with total assets employed standing at £195.1m against £141.9m. Share capital is virtually unchanged at £45.5m (£45.2m) and reserves are up from £100.7m to £119.1m.

See Lex

DIVISIONAL PERFORMANCE ANALYSIS

	£m 1985 Turnover	£m 1985 Operating profit	£m 1984 Turnover	£m 1984 Operating profit
Defence systems and industrial electronics	244.2	24.2	197.9	20.2
Computer systems	197.4	15.6	152.2	13.1
Electronics	83.9	10.3	62.3	6.4
Instrumentaation	27.7	2.4	21.6	2.1
Others	28.9	2.3*	28.6	1.8*
Total	567.9	50.2	451.7	40.0

* Loss.

Lander wins control of Windsor

By Andrew Arends

Lander Investments, a private insurance company, along with its allies yesterday won a bitter battle for boardroom control of Windsor Securities, the insurance broker which under its previous name of Brentnall Beard was deeply involved in the Sasse affair at Lloyd's.

At an EGM in London yesterday, Mr John Carr, Lander's chairman, was elected to the Windsor board along with Mr Robin Cullen, Mr David Owen, and Mr Brian Eve, giving them a majority on the board. Mr Carr said that it was his intention that the two groups should be amalgamated.

Mr Maurice Fullerton, the present chairman, and Mr Graham Fairweather, the other remaining director, said yesterday that they were now considering their positions although it is widely expected they will resign.

Mr Fullerton, who opposed the move, launched a vehement attack on Lander at the meeting. He said it had been one of the most distasteful manoeuvres the City had seen for many years. "These people have no track record in running a public company and their record at private companies is not good."

However Mr Carr won the backing of 74 shareholders representing roughly 66 per cent of Windsor's shares, against support for the old board of 284 shareholders with a third of the shares.

Mr Carr said last night that the newly appointed board intended to get involved with the management of the company for the purpose of building it up into a substantial Lloyd's broking group.

Last night Windsor's shares closed at 53p, down 2p.

BPB slips £1m as second half disappoints

WITH DISAPPOINTING demand for building materials in the UK during the second half, BPB Industries, Slough-based plasterboard and packaging manufacturer, has announced a drop in pre-tax profits from £79.7m to £78.6m for the year to March 31 1985. A lower £38.2m was earned in the second half, against £43m.

With turnover for the year ahead by £36.2m to £564.3m, operating profits fell from £77m to £74m. Despite these results the directors are proposing a 7.7p (7p) dividend total with a higher 4.6p (4.2p) final. Stated net earnings per 50p share are 2.9p lower at 25.1p.

The directors blame the effect of high interest rates on the private house building sector, the continued rundown of local authority construction expenditure, and the severe winter for the lack of demand in the second half.

They say that although the short-term outlook for gypsum-based products in the UK is for volumes to remain static, this should be offset by the benefit of the group's new plants at East Leake, and other cost-saving investments.

In Canada the buoyant market is expected to continue, and in France trading conditions are improving, they say, with better results expected in the current year. Overall, prospects for 1985-86 is for group profit to be well maintained.

For the 1984-85 year the paper and packaging division in the UK achieved a satisfactory increase in turnover although substantial increases in the cost of raw materials and fuel resulted in slightly lower profits.

In Canada, Westroc Industries continued its improvement in performance and achieved its most profitable year to date. In France and Ireland results suffered from low levels of construction and strong price competition.

They add that the related companies had a good year and the group's share of their combined profits increased.

Related companies added a higher £7.1m (£5.8m), and the pre-tax figure was struck after lower interest payments of £2.5m (£3.1m).

The tax charge of £30.5m (£26m) was significantly higher, mainly due to lower capital spending and reduced capital alowances in the UK.

● comment

A very poor last quarter for the UK building industry put paid to any hopes that BPB Industries might surpass last year's profits level. The costs of getting the two new production lines up and running at East Leake plus some redundancies also shaved up to £2m off the out turn. However, in the East Leake plant (the world's second largest plaster board complex with an output of 60m sq metres a year — enough for half the UK's needs) the group now has a highly cost effective operation which should help protect margins. The wireline logging system developed by subsidiary BPB Instruments continues to make progress in terms of penetrating markets — especially in North America —but contributions to the group have been minimal to date. Uncertainty over how far oil prices will drop is holding back well drilling programmes and therefore the opportunities of this product to really take off. BPB's share price has been sliding for most of the last year and is now back at its mid-1982 level of 212p down 18p. For this year the market is looking for £82m pre-tax which has the shares trading on a prospective multiple of almost 8 (38 per cent tax charge). Little more can be expected until early next year, although the dividend increase, the yield is up to 5.2 per cent, might persuade some that a buying opportunity exists at these price levels.

Consumer credit boosts FNFC

PROFITS, both before and after tax, of First National Finance Corporation rose from £7.7m to £9.12m in the six months to April 30 1985.

Payment of a dividend for the year will be considered when the annual results are available—the last payment was in 1974.

Group turnover for the half-year declined from £34.66m to £13.19m, excluding banking business. The fall here reflected a reduction of the lending and property division's involvement in the property sector.

The lending and property division project contribution fell from £3.39m to £2.73m but the consumer credit sector recorded an improvement of £2.47m at £3.69m — expenditure of this sector's holding company, First National Securities (Holdings), accounted for £2.3m (£1.91m).

The directors say the consumer credit division's progress reflected the buoyancy of that part of the market in which it is involved. During the six months substantial additional funding was made available.

The remaining support group loan of £32m to First National Securities (Holdings) has now been repaid. This was repaid as a result of refinancing by way of a syndicated loan.

● comment

First National Finance's recovery from its low point in 1977, when it had a deficit of £79m on shareholders' funds, has continued in the first half with a performance well in line with forecasts. The consumer credit side has not been without its difficulties: the coal strike, unemployment and high interest rates have held it back from faster growth and a lot of credit is going into plastic cards. However, consumer credit is generally buoyant and First National's business is predominantly high quality lending such as second mortgage and home improvement lending. The property division's profits have fallen in line with the chairman's year-end statement that problems arising from the property slump of 1973-75 remained to be cleared. Given that interest rates seem more likely to fall than to rise and further improvements in the group's bad debt experience, the end-of-year result looks likely to be in line with forecasts of £20m. With a notional 35 per cent tax charge and the shares down 1p at 102, this produces a prospective p/e of 10. A final dividend appears likely.

AG Barr soars to £1.54m at six months

Tight control of operating costs has enabled A. G. Barr, the Glasgow-based soft drinks maker, to push its first half pre-tax profits up from £855,000 to £1.54m. The interim dividend, however, is held et 1.75p for the six months to April 27 1985.

Mr Robin Barr, chairman and managing director, says the 3.3 per cent advance in turnover (from £15.28m to £15.79m) reflects a continuation of last year's competitive pricing conditions.

Although it is too early to forecast the overall pattern for the important summer period, Mr Barr tells shareholders that trading since the end of April has been disappointing compared with last year when better-than-average weather was experienced in May and June.

Public Works Loan Board rates

Effective June 26

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11⅝	—	—	12⅜
Over 1, up to 2	11⅛	11½	11¼	12⅛	12⅜	12¼
Over 2, up to 3	11½	11¼	11¼	12¼	12⅜	12¼
Over 3, up to 4	11½	11⅜	11¼	12½	12½	12¼
Over 4, up to 5	11¼	11½	11⅜	12⅜	12⅜	12⅛
Over 5, up to 6	11⅜	11½	11⅜	12	12	12
Over 6, up to 7	11¼	11½	11½	12	12	12
Over 7, up to 8	11½	11⅜	11½	12	11⅞	12
Over 8, up to 9	11½	11⅜	11⅜	11⅞	12	11⅞
Over 9, up to 10	11½	11½	11¼	11¾	12	11¾
Over 10, up to 15	11¼	11½	11	12	11⅞	11¼
Over 15, up to 25	11¼	10⅞	10¾	11⅜	11¼	11½
Over 25	10½	10¾	10¾	11⅜	11½	11¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Eric Short on the £94m acquisition of Lloyd's Life

The logic behind Royal's strategy

Lloyd's Life Assurance, the unit-linked life company put up for sale last February by Lloyd's of London, is being acquired by Royal Insurance, one of Britain's largest composite insurance groups, for a cash payment of £94m.

News that Royal was the front-runner in the auction for Lloyd's Life only emerged over the past few days and came as something of a surprise to the market.

In general UK insurance groups have made it clear that they are not interested in the fancy prices that have been asked in recent years when a life company comes up for sale and invariably the life company has been bought by an overseas group.

However, Royal has taken the view that Lloyd's Life was worth acquiring and was worth paying what at first sight looks like a fancy price.

The latest report and accounts of Lloyds Life, for the year ending September 30, 1984, valued the company at £46m. To understand the reasoning behind this decision one first has to go back five years.

At that time, Royal announced that as part of its overall corporate strategy, it intended to greatly expand its long-term life and pensions operation worldwide, with particular emphasis on its UK business.

Since then it has made great efforts to expand its UK life business, particularly in the unit-linked sector. It set up a unit trust operation, introduced several unit-linked life and pension contracts and launched a direct sales force as a further independent intermediary agency network.

But it found, as other insurance groups have also found, that there is a limit to the rate of such organic growth. Its unit-linked business still only amounted to £200m out of its total UK life funds of £2.3bn. This is small when measured alongside the unit-linked life giants like Hambro Life, with funds in excess of £3bn, and Abbey Life, with funds exceeding £2bn.

So Royal has been looking for suitable acquisitions to compliment its organic expansion and although such opportunities are rare, it found that Lloyd's Life met its requirements.

Lloyd's Life was established by the Committee of Lloyd's in 1971 to enable members of Lloyd's to participate in the long-term insurance market — a market from which they cannot operate directly.

After certain problems in its early days, Lloyd's Life has developed into an efficient unit-linked life company, with a reputation for product innovation and marketing, and has an impressive growth rate for new business. In particular, it has become a leader in the offshore life market through its Isle of Man subsidiary.

All this expansion has been financed by internally generated profits without recourse to its shareholders — members of Lloyd's syndicates. But it has now reached the stage where fresh capital could be required for further expansion if it is to take its share in the developing financial services market. This was the overriding reason for the Committee of Lloyd's putting the company up for sale.

Mr Alan Horsford, chief executive of Royal Insurance

Royal can give Lloyd's Life the necessary capital backing, but then so could any other major group. Indeed, Royal is reputed to have been the only UK company on the final short list of six bidders, so it would appear that the UK insurance groups, in general, stuck to the view that Lloyd's was again being sold for a fancy price.

However, Royal's chief executive, Mr Alan Horsford, and its group actuary and head of Royal Life, Mr Hugo Johnson, insist that the price is a fair one.

Royal was given complete access to Lloyd's Life and its management and records as well as the independent actuarial valuation made by consulting actuaries Bacon and Woodrow. It was impressed by the management of Lloyd's Life under its chief executive Mr John Woolhouse.

Royal intends to run Lloyd's Life as a separate company from the present business of Royal Life, though it will have to change the name of the company.

The business of Lloyd's Life does complement that of Royal Life, but without integrating the two companies it is not easy to see how this will immediately benefit Royal.

However, Mr Johnson feels that Royal Life and Lloyd's Life can both benefit immediately and in the near future by an interchange of ideas and planning future developments on a co-operation basis.

The rapid developments in the financial services field and the Government's proposals to privatise pension provision in the UK mean that conditions in the UK life assurance sector are changing rapidly. There are plenty of opportunities likely to arise where Royal and Lloyd's Life can jointly co-operate to get maximum benefit from these opportunities.

However, there are two major areas where integration could be made in the near future. At present, Lloyd's Life has its own in-house investment management team and it makes use of other unit-trust groups in its linked contracts. This could be merged with Royal's investment management team.

Secondly, both companies have separate unit trust management groups, and this seems an area of duplication that could be integrated.

But in its mainstream business, the two companies are likely to run side by side, often in competition with each other, for some years. Mr Horsford stressed that he had no intention of breaking up the current management team at Lloyd's Life. Indeed, this was an important factor in costing the price paid.

However, the two companies are somewhat in opposition in one major area—that of commission and remuneration paid to agents. Lloyd's Life has led the opposition to any form of commission control while Royal is a supporter of the proposed Registry of Life Assurance Commissions.

However, Mr Johnson does not see this difference in approach as posing any major problems. The Government's investor protection proposals have resulted in conditions on life assurance remuneration being in a state of flux.

Until conditions become clearer, Royal will do nothing to harmonise the approach to remuneration.

MINING NEWS

U.S. write-offs leave Hampton with £6m loss

SUBSTANTIAL provisions below the line—mainly connected with the joint ventures in Colorado, U.S.—have left Hampton Gold Mining Areas with a loss of £6m for the 1984-85 financial year. The comparable figure last time was a profit of £2.72m.

Hampton was already depressed at the trading level, mainly because of the miners' strike, which severely affected the coal and Wultex divisions. Group pre-tax results were down from £3.25m to £2.37m.

Earlier this month Hampton told its partners in the ambitious U.S. venture, Centennial Gold Corporation and Marathon Gold Corporation, that it did not intend to provide the companies with additional funding "in the absence of a new injection of finance from other sources."

Hampton became the largest participant in the venture through a refinancing arrangement last January. It then said that it was basically confident of the project, despite the drop in gold prices.

The directors now say that the value of the Hampton investment has been reassessed and full provision has been made. The extraordinary charge of £7.66m substantially relates to a full provision amounting to £6.9m against the cost of these investments. Smaller provisions have also been made against the Sooner Trend joint venture (£400,000) and Nesquehoning Coal (£352,000).

Despite the below-the-line losses, and earnings per share down from 10.66p to 6.07p, the company is to hold the dividend at 3.75p for the year with an unchanged final of 2.75p. This will account for £1.02m (same) to bring the total deficit transferred to reserves to £7.02m (profit £1.7m).

Group turnover for the period to March 31 1985 fell from £13.4m to £12.16m, producing gross profits of £2.16m against £3.25m. Included in the pre-tax figure is a £567,000 (nil) profit on the sale of fixed asset investments and a higher credit of £1.54m against £1.46m receivable interest and similar income. The tax charge for the period was £545,000 (£535,000), and minority interests took £171,000 (nil).

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hill Samuel	§12½%
Allied Irish Bank	12½%	C. Hoare & Co.	12½%
American Express Bk.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Johnson Matthey Bkrs.	12¾%
Amro Bank	12½%	Knowsley & Co. Ltd.	13 %
Associates Cap. Corp.	13 %	Lloyds Bank	12½%
Banco de Bilbao	12½%	Edward Manson & Co.	13½%
Bank Hapoalim	12½%	Meghraj & Sons Ltd.	12½%
BCCI	12½%	Midland Bank	12½%
Bank of Ireland	12½%	■ Morgan Grenfell	12½%
Bank of Cyprus	12½%	Mount-Credit Corp. Ltd.	12½%
Bank of India	12½%	National Bk. of Kuwait	12½%
Bank of Scotland	12½%	National Girobank	12½%
Banque Belge Ltd.	12½%	National Westminster	12½%
Barclays Bank	12½%	Northern Bank Ltd.	12½%
Beneficial Trust Ltd.	13½%	Norwich Gen. Trust	12½%
Brit. Bank of Mid. East	12½%	People's Trust	13½%
■ Brown Shipley	12½%	Provincial Trust Ltd.	13½%
CL Bank Nederland	12½%	R. Raphael & Sons	12½%
Canada Permanent	12½%	PK Finans Intl. (UK)	13 %
Cayzer Ltd.	12½%	P. S. Refson	12½%
Cedar Holdings	13 %	Roxburghe Guarantee	13 %
■ Charterhouse Japhet	12½%	Royal Bank of Scotland	12½%
Choulartons**		Royal Trust Co. Canada	12½%
Citibank NA	12½%	■ J. Henry Schroder Wagg	12½%
Citibank Savings	¶12½%	Standard Chartered	‖12½%
Clydesdale Bank	12½%	TCB	12½%
C. E. Coates & Co. Ltd.	13 %	Trustee Savings Bank	12½%
Comm. Bk. N. East	13 %	United Bank of Kuwait	12½%
Consolidated Credits	12½%	United Mizrahi Bank	12½%
Co-operative Bank	*12½%	Westpac Banking Corp.	12½%
The Cyprus Popular Bk.	12½%	Whiteaway Laidlaw	13 %
Dunbar & Co. Ltd.	12½%	Williams & Glyn's	12½%
Duncan Lawrie	12½%	Yorkshire Bank	12½%
E. T. Trust	13 %		
Exeter Trust Ltd.	13 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13½%		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptns.	13½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		
■ Hambros Bank	12½%		
Heritable & Gen. Trust	12½%		

■ Members of the Accepting Houses Committee.
* 7 day deposits 9½%, 1 month 10¼%. Top Tier—£2,500+ at 3 monthly notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9½% gross.
‖ 21-day deposits over £1,000 10½%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9¼%.

UK COMPANY NEWS

Foreigners to be offered share stake in Britoil

BY JOHN MAKINSON

THE GOVERNMENT will invite foreign investors to buy shares in Britoil when it offers its 48.8 per cent holding in the company for sale later this summer.

Lazard Brothers, the merchant bank advising the Government on the sale, said yesterday that a portion of the shareholding would be marketed abroad as a result of the interest shown by overseas investment houses.

Mr Marcus Agius, a director of Lazard Brothers, said that the shares would be sold in Switzerland, West Germany and the Netherlands. The Government had considered marketing Britoil int be U.S. but has been deterred by the length and complexity of the registration procedures.

The sale, which will be at a fixed price and in two instalments, is expected to raise around £500m.

The overseas marketing will be handled by a consortium led by Swiss Bank Corporation. Mr Agius declined to comment yesterday on how many of the Government's 243m shares might be sold abroad but said that the foreign consortium would "make a material contribution to the overall marketing effort."

Swiss Bank Corporation arranged last year for a portion of the British Telecom offer for sale to be placed in Europe.

The consortium for the Britoil offer has not yet been finalised but it is expected to include Detusche Bank in West Germany and Amro Bank in the Netherlands. The consortium will buy a portion of the offered shares from the Government at the fixed price and then place the equity privately among its clients.

The Government offered the first tranche of Britoil shares for sale in November 1982, when all but 30 per cent of the issue was leftw ith the underwriters. The failure of that offer soured the attitude of soma City institutions towards the company.

Foreign investors were not directly involved in thato ffer for sale and may therefore be better disposed towards Britoil than some UK investors.

Although the Government is selling its remaining stake in Britoil, it will retain a "golden share" to block unwelcome takeover bids for the company. So there is little danger that the shares being placed overseas could be used as a platform to mount a bid for Britoil.

Sapphire worth £32m at offer price

By Lucy Kellaway

THE FULL prospectus is published today for an offer for sale of 6m shares at 150p each in Sapphire Petroleum, which is being brought to the USM by brokers Williams de Broe Hill Chaplin.

The company will be raising £9m before expenses in one of the largest offers for sale that the USM has seen, all of which is new money for the company. At the placing price, Sapphire is capitalised at £31.9m, which places it fourth in size in the USM oil sector.

Sapphire was set in 1981 by a group of UK institutional investors who jointly invested £10m in oil and gas exploration in the U.S. Sapphire has interests in 113 producing wells, and owns about 114,000 acres of exploratory leases scattered around the U.S.

The company says that the terms for investors in the market has improved in the last four years, and that it now has more leverage in selecting its own projects and partners.

Of the money raised, $6m is to be spent between now and 1986 on the development of discoveries already made. Sixteen oil fields in which Sapphire has been involved are now entering development stage;

The company plans to continue its strategy of low to medium risk exploration, while committing a further 10 per cent of its cash flow to highly speculative wildcat drilling.

● **comment**

Now is not a good time for Sapphire to be coming to market. Investors are understandably wary about backing any more USM oil exploration companies, and furthermore tha U.S. gas market thoroughly in the doldrums. However, this issue does have various things to recommend it. First, the company has a four-year track record, end far from taking the opportunity to climb out, some of the existing shareholdars are coming back for more. Secondly, the bulk of the money being raised is going towards the development of proven resources rather than to the more risky search for more. One of the company's largest fields now being developed in South Madden, Wyoming, may have a life of nearly 30 years, and thus provide soma measure of assurance about the future. This all makes Sapphire a slightly safer proposition than some of its USM predecessors. Howaver, drilling being carried out at offshore Mississippi, while no disaster if it fails, could give any investors' brave enough to back yet another oil company, a magnificent return should it succeed.

Directors buy Bison Group for £10m

By Andrew Arends

Bison Group, the pre-stressed concrete flooring company has been bought by some of its management for £10m from its present owners, Banqna Audi Suisse, of Geneva.

The group, which includes Bison Concrete and Nawlay Concrete, will be owned by five of the directors of Bison Concrete, with support from the Bank of Scotland in the form of loans and the provision of overdraft facilities.

The group also announced its preliminary results for the year ended December 31, 1984. Bison Concrete reported increased pre-tax profits of £2.2m on turnover of £28m. This compares with pre-tax profits of £1.5m on a similar turnover.

However, Bison said yesterday that the impact of the miners' strike bad hit Newlay Concrete, which barely broke even last year on turnover of around £3m.

The five directors involved in the buy-out are Mr Derek Hankinson, managing director of Bison Concrete, Mr Robin Pugsley, marketing director, Mr Basil Larsen, Scottish managing director, Mr Richard Ellis, financial director, and Mr Robert Lomas, commercial director, who have taken an unspecified stake in the group.

Bison Concrete presently holds roughly 50 per cent of the UK market in pre-stressed concrete flooring.

Irish Leathers' receiver appointed as losses rise

BY DAVID GOODHART

Irish Leathers, the County Waterford-based leather manufacturers, has been put into receivership by the country's staet rescue bank, Foir Teoranta, after several years of heavy losses. Its shares were suspended on the Stock Exchange yesterday at 3.5p.

Mr Bernard Somers, the receiver, said he was looking to sell the group as a going concern and had already received two inquiries—one from inside the Irish Republic and one from outside.

Foir Teoranta, which funds firms in trouble if they are thought to have a chance of achieving viability, has already spent about £3.2m on trying to save the company.

The 1984 accounts showed a los of £0.5m—substantially down on the £1.2m loss in 1983—but despite claims of a slow recovery in the company's fortunes Foir last month appointed its own nominee to Irish Leathers board.

Foir yesterday said that since the appointment it had discovered tht losses were running at a level significantly higher than estimated. Accumulated debts could top £4m. Last year's turnover was just under £9m.

The company employs about 370 people. Its main assets are three tanneries in Co Waterford and a fell mongers which processes sheep skins. It is the only large tannery in the Irish Republic which has a "kil" each year of approximately 1.5m cattle.

It was formed after the amalgamation of a number of tanneries in the 1930's. In the years prior to membershin of the EEC tha firm did well, exporting nearly all its output, but since 1975 it has been suffering from the effect of cheap leather imports from the third world into the EEC.

Trafalgar buys U.S. oil

Trafalgar Oil and Gas, a U.S. subsidiary of Trafalgar House, the construction shipping and property group, announced yesterday that it had purchased 9m barrels of provan oil reserves for $26.5m (£20.4m) from USENCO, a Texas-based oil company.

The deal includes the purchase of working interests in over 500 producing oil wells as well as undeveloped acreage and royalty interests in the Spraberry Trend fields in Texas.

Mr John Brewster Jr, president of Trafalgar House Oil and Gas, said yesterday that the acquisition would provide the company with an excellent entry into the West Texas area. He said Trafalgar intended to start an aggressive drilling programme on the undeveloped acreage in Spraberry in order to fully exploit the potential of the acquisition.

Over the past 15 months, Trafalgar House Oil and Gas, based in Houston, has had working interests in over 100 exploratory wells, mostly in Texas, Louisiana and on the Gulf Coast.

Two brewers lift profit and dividend

Two regional brewers, Hardys & Hansons and Eldridge, Pope & Co., yesterday reported higher profits and dividends for the first half of the 1984/85 year.

Eldridge, based in Dorchester, achieved a taxable result of £939,000, against £749,00, and is lifting its interim dividand from 2.1p to 2.4p.

The directors say that beer volumes during the period to March 31 remained virtually static, cider and spirit sales declined slightly but wine volumes increased. Overall turnover was up from £9.98m to £10.89m.

Hardys, which is based in Nottingham and raised profits from £1.29m to £1.46m pre-tax, says that trade has generally been very similar to last year although recent bad weather has been unhelpful. Turnover for the six months to March 29 was ahead at £9.02m compared with £8.28m.

The interim dividend is being raised by 0.5p to 5p.

DIVIDENDS ANNOUNCED

A. G. Barr ......int.	1.75	—	1.75	—	7.5
Birmingham Mint	8	Sept 6	7.5	11.5	10.5
John Booth	2	—	2	2	2
B.P.B. Inds	4.6	Aug 16	4.2	7.7	7
Braithwaite	5.1	July 31	5.1	9.1	9.1
Brickhouse Dudley	2.5	—	2.25	3.45	3.2
Cable & Wireless	4.9	Oct 1	4.1	7.8	6.5
Compco Holdings	5.2	—	4.3	5.2	4.3
Danae Inv ...... 2nd int.	2.94	—	2.73	4.9	4.48
Eldridge, Pope ......int.	2.4	—	2.1	—	4.9
Ferranti	1.04	Sept 19	0.88¶	1.56	1.32
Glass Glover† ......int.	1.6	Sept 30	1.38	—	3.45
Hampton Gold	2.75	Oct 1	2.75	3.75	3.75
Hardys & Hansons int.	5	—	4.5	—	14.9
Arthur Henriques	nil	—	nil	nil	0.5
Hogg Robinson	4.2	Oct 1	3.45	8	6.75
Lawrie Group	35	—	30	35	30
LMI	5.25	—	4.5	9.5	8
Moreeau Hldgs ......int.	1.2	July 31	0.8	—	1.6
G. Ruddle‡	2.75	Aug 13	2.75	4	4
Scantronic‡	1.2	—	1	1.9	1
Shaw Carpets	1.5	Sept 2	1.5	2.5	2.5
Standard Secs ......int.	1.27	Aug 21	1.15	—	3.65

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Adjusted for share sub-division.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	102.0	99.9	107	110.2	130.1	3,026	154.0
3rd qtr.	102.4	101.4	107	111.1	133.3	3,076	165.1
4th qtr.	103.2	100.9	105	113.6	164.0	3,103	166.5
October	102.8	100.2	107	112.0	139.9	3,100	170.5
November	103.1	100.9	103	112.7	149.6	3,102	167.6
December	103.6	101.5	104	115.6	194.9	3,108	161.3
1985							
1st qtr.	105.1	101.2	92	112.6	133.9	3,138	157.5
January	104.1	99.6	89	111.6	134.4	3,124	157.2
February	104.5	101.1	95	112.0	130.2	3,144	156.1
March	106.8	102.9	91	113.8	136.5	3,147	159.2
April	107.4	101.7		114.1	140.3	3,176	166.7
May				115.2		3,180	167.1

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
1st qtr.	100.1	93.9	110.5	96.3	113.4	96.0	16.2
2nd qtr.	101.4	95.7	105.3	98.0	107.0	97.2	18.0
3rd qtr.	101.9	98.2	104.6	100.8	111.1	97.9	16.2
4th qtr.	102.0	97.3	106.5	99.2	107.7	99.3	13.3
October	102.0	96.0	106.0	99.0	106.0	99.0	16.5
November	102.0	97.0	106.0	99.0	109.0	99.0	13.9
December	102.0	98.0	107.0	100.0	108.0	100.0	9.5
1985							
1st qtr.	103.1	97.8	109.5	99.4	108.8	100.0	13.8
January	102.0	95.0	109.0	97.0	102.0	99.0	11.7
February	103.0	98.0	108.0	99.0	109.0	99.0	13.2
March	104.0	101.0	111.0	102.0	115.0	102.0	16.6
April	103.0	100.0	113.0	101.0	110.0	100.0	17.9

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
1st qtr.	106.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
1st qtr.	118.7	125.6	−1,347	− 86	+1,862	95.6	14.80
January	116.6	118.6	− 86	+332	+926	96.0	15.53
February	121.7	124.6	−263	+137	+675	95.1	15.35
March	117.8	133.7	−999	−555	+260	95.6	13.5[illegible]
April	119.6	126.3	−277	+123	+684	96.8	14.6[illegible]
May							13.98

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
1st qtr.	4.1	10.1	8.2	13.8	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.05
January	6.0	9.0	13.6	16.3	823	1,166	14.00
February	3.1	− 5.0	4.6	13.3	474	1,008	14.00
March	− 1.3	− 1.2	9.2	16.0	214	972	13.5[illegible]
April	5.4	22.2	18.8	19.5	507	1,060	12.63
May	4.4	34.9	19.0	17.7	615		12.63

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.1	145.5	137.0	366.1	335.4	295.22	73.3
April	169.3	140.8	139.2	373.9	338.8	295.08	78.8
May		139.3	139.5	375.6	339.3	279.98	78.7

* Not seasonally adjusted.

COMPANY NEWS IN BRIEF

COMPCO HOLDINGS, property investment and development group, has announced lower pre-tax profits of £459,000 for the year to March 25 1985, against £730,000. Its net asset value stood at 487p (431p) per 20p share.

There was a tax credit of £226,000 (debit £394,000), and stated net earnings, before an extraordinary £422,000 credit, emerged at 33.43p ((16.37p). The dividend is raised 0.9p to 5.2p.

FII, fruit and vegetable merchant, raised pre-tax profits from I£1.06m to I£1.33m in the half year ended April 30, 1985. Turnover rose to £33.74m (£25.19m). Earnings increased to 4.35p (3.77p) and tha interim dividend is 1.36p (1.18p) net per 5p share. The shares are traded on the USM.

LIFECARE International, the building contractor and property developer mainly involved in the provision of retirement homes and shaltered housing is acquiring Treaty Trust (Holdings), an investment holding company for £2.71m, as a vehicle for increasing its own resources.

Lifecare will fund the purchase of Treaty, whose assets of £2.85m are mainly in cash and short-dated Gilt edged securities by the issue of 7.48m new ordinary shares. These shares have already been placed on behalf of the vendors at a price of 36⅛p per share.

BIRMINGHAM MINT has showed higher pre-tax profits thanks to some recovery in tha world coin market coupled with a better result in the medals division. The result was £957,000, againsta £334,000.

Group prospects for the current year, says the chairman, appear more promising than at any time in the last few years.

Earnings per share rose to 28.6p (12.4p) after tax of £295,000 (£66,000). The final dividend is being raised to 8p, lifting the total to 11.5p (10.5p).

SHAW CARPETS' turnover rose from £40.74m to £41.53m in the year ended April 26, 1985, bot pre-tax profit slumped to £348,000 from £1.49m. Earnings per 10p share fell from 6.4p to 1.8p and tha proposed final dividend is held at 1.5p making an unchanged 2.5p for tha year.

SCANTRONIC HOLDINGS, a USM quoted manufacturer of electronic data communication equipment and systems, earned a record taxable profit of £709,101, against £422,373, for the year to end-March 1985. Exports were up from 28 per cent to 34 per cent of total group turnover up by £912,550 to £2.55m. Earnings per 2½p share for 1984-85 rose from 4.2p to 6.5p. The directors are recommending a final dividend paymeot of 1.2p which makes a total payout of 1.9p compared with the previons year's single final dividend of 1p.

STANDARD SECURITIES, the property investment and trading group, saw its rental income increase slightly in the six months to March 31, 1985 to £1.08m (£1.05m). Pret-tax profits rose from £768,000 to £1.01m. An interim payment of 1.27p has been declared, compared with last year's 1.15p, when a total payment of 3.65p was made.

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UK COMPANY NEWS

Hogg Robinson at record £14.2m

THE Hogg Robinson Group, recently involved in abortive merger talks with C. E. Heath, Britain's fifth largest independent insurance broker, increased its 1984/85 pre-tax profits from £11.06m to a record £14.21m.

Mr Albert Whewey, the chairman, says the results fully justify the confidence expressed last year in the future of the group. He adds: "The expected improvement in the company's performance is now clearly under way."

The profits were struck after charging an exception £650,000 for estimated irrecoverable amounts relating to trading activities a number of years ago and which do not relate to current operations.

Along with its preliminary results, covering the 12 months to March 31 1985, the group reveals that it has agreed to buy full control of its U.S. broking associate, Republic Hogg Robinson, for $9.7m (£7.5m), from the LTV Corporation of Dallas.

Consideration will be satisfied by the issues of 3.5m ordinary shares in Hogg Robinson. As LTV wishes to receive cash the new shares were being placed yesterday by Baring Brothers at 222p per share.

Turnover for the year improved from £71.27m to £87.93m—the group is Britain's sixth largest independent insurance broker with other interests in travel and transport.

A final dividend of 4.2p lifts the total from 6.75p to 8p net per 25p share, an increase of 18.5 per cent.

Mr Albert Wheway.

Brokerage profits grew last year by 22 per cent. Mr Christopher Price, group chief executive, says all areas of the group, both in the UK and overseas, contributed to the increase in the group's brokerage earnings which have benefited mostly from real growth in business and improvements in expense ratios, with some advantage also from currency gains.

In America, Republic Hogg Robinson continues to make excellent progress. During the year the group added two companies to its existing business in Australia making it one of the leading broking houses.

The travel and transport activities increased their contribution to pre-tax earnings by 40 per cent. Travel bookings continue to show good growth and the transport companies have healthy order books.

The proportion of the group's profits from the two principal Lloyd's managing agencies now represents 18 per cent of profits before tax, compared with 27 per cent last year.

The computer and investment services division contributed a small profit compared with significant losses both at the half year and for the previous year.

A divisional breakdown of turnover and profits shows insurance broking £44.42m (£38.43m) and £9.6m (£7.84m), Lloyd's underwriting agencies £4.35m (£4.36m) and £2.57m (£3.01m), non-Lloyd's underwriting nil (£715,000) and £585,000 (£430,000), travel and transport £35.05m (£22.65m) and £5m (£3.58m) and computer and investment services £4.1m (£5.11m) and £85,000 (£458,000 loss).

The analysis includes investment income and share of operating results of associates under the appropriate business activity.

Interest payable on financing acquisitions accounted for £1.13m (£1.83m). Tax took £6.34m (£5.44m) and minorities £1.02m (£785,000). Earnings per share totalled 19.6p (14.26p).

Attributable profits emerged at £5.75m, against £9.12m, after taking account of extraordinary debits of £1.12m for reorganisation, compared with previous credits of £4.28m.

Retained profits amounted to £2.78m (£6.82m)

● comment

In yesterday's market, Hogg Robinson was fortunate indeed to get away with a vendor placing at a discount of only 8 per cent. As it is, Republic Hogg Robinson is now freed of the curious anomaly of being half-owned by an industrial corporation and with prospective net income of 3m or so for its year to December, as well as useful tax losses, the price paid does not look excessive. For the moment, RHR cannot fail to make money alongside the rest of the broking business, provided that Hogg Robinson continues to chip away at its expense ratios. In the travel business, Hogg Robinson expects a better year in its tour operations than its competitors and is, anyway, partly shielded against competitive price-cutting by its 60 per cent exposure to the business travel sector. With the share price following the market down 5p to 229p, pre-tax profits for the year of at least £17.5m imply a p/e ratio of only 8½, while the yield is 6½ per cent.

Ruddles fails to hit sales target

G. Ruddle, the Rutland-based brewer, failed to attain its sales target over the second six months and for the full year to March 30 1985 saw little change in its profits before tax.

Explaining the shortfall, Mr Tony Ruddle, the chairman, says that delay in commissioning new brewery capacity, which had been scheduled to come on stream in the autumn, prevented the company from generating additional volume for the Christmas trade.

He confirms, however, that the plant is now operational and that the sales situation is being remedied.

For the past year turnover pushed ahead from £10.1m to £10.48m and pre-tax profits came through at £1.03m, compared with £1.02m. Tax took £300,639 (added £34,529) to leave earnings at 15.5p, against a previous 22.3p.

The dividend is held at net 4p per 10p share by a same-again final of 2.75p.

Mr Ruddle says the company is healthy and strong, has ample cash resources and looks forward to the future with confidence.

The company's shares are traded on the USM.

LMI achieves £7.7m target and looks for further expansion

A RECORD £7.73m in pre-tax profits was achieved by London & Midland Industrials for the year to end-March 1985, compared with £5.02m previously, a 54 per cent increase. The result is in line with the forecast made at the time of LMI's abortive £45m bid for Allied Textile Companies, earlier this year.

At the interim stage LMI, a holding company with interests in engineering and industrial services and consumer products, had achieved £3.72m (£2.21m) and Mr Bill Beddow, the chairman, says that the year's profits were obtained purely by organic growth as no acquisitions took place.

As forecast, a final 5.25p dividend is now proposed, compared with 4.5p. This brings the total for the year to 9.5p (8p), a rise of 19 per cent. Net earnings per share are shown up from 11p to 17.1p.

On the future the chairman points to LMI's strongly based and well diversified group of companies engaged in the manufacture of a wide range of consumer products with a significant representation in the home improvement market. It also now has a range of specialist engineering companies in both the U.S., from which some 35 per cent of group operating profits are expected to derive, and the UK.

The various businesses are run as independent reporting units, while central management is concerned with financial control and overall group policy. The chairman says that success in introducing new business opportunities into the LMI group by a selective acquisition policy has benefited both existing and new shareholders, and the companies acquired. Each addition has increased the base from which further expansions can be made.

He adds that the board will continue with confidence to plan the group's expansion. In addition to the Allied Textile bid, LMI also made an offer during the year for Hoskins & Horton, which lapsed in face of a higher bid.

Group turnover improved from £71.17m to £82.08m, generating operating profits of £8.19m (£5.93m). Interest took a little changed £1.13m (£1.14),

● comment

LMI's voracious appetite for further acquisitions to add to its diverse holding of 22 companies went unsatisfied last year, not least through the failure of its attempt to ensnare Hoskins & Horton, the hospital equipment and light engineering group, last winter. However, the digestion of earlier purchases provided the means for another impressive leap in profits. It seems unrealistic to expect a repeat performance from the existing activities this year home improvements are not going to get another boost from the effects of Budget changes on VAT, and the edge is likely to be taken off growth in the value of its U.S. companies' sales by sterling's rise against the dollar and a less buoyant U.S. economy. Dramatic growth will come only through further acquisitions, and following the disappointment of LMI's failure to acquire Allied Textile Companies this month, other moves are thought to be imminent. Leaving this aside, forecasts of an underlying 15 per cent increase in profits to £9m appear realistic. With a 40 per cent tax charge and the shares up 1p at 178p, this has the prospective p/e looking undemanding at 9, especially given the dividend yield of 7½ per cent.

Floyd Oil

Floyd Oil yesterday denied that it had approached Great Western Resources with a view to selling itself, as claimed by Great Western Resources in an article in last Saturday's edition.

UK COMPANY NEWS

Glass Glover hits target but expansion costs high

THE Glass Glover Group has met its profits forecast for the opening six months but says it is currently absorbing considerable costs associated with the expansion programme and the integration of two recent acquisitions.

Shareholders are told that these short term costs will inevitably have an influence on the full year outcome while the resultant benefits will materialise during 1986.

For the half year to March 31, 1985, group turnover was little changed at £30.97m (£30.94m) but profits before tax rose to £751,983, an increase of 15.5 per cent over last time's £651,080.

The profits matched the directors' forecast made in May at the time of the £2.5m acquisition of Louis Reece, a leading fresh fruit wholesaler.

Glass Glover, based in London, is a food distributor and an importer of fresh fruit and vegetables.

During the first six months the adverse effects of the dollar's strength coupled with extreme climatic conditions depressed turnover and profits in the fresh produce sector.

The directors point out, however, that this was more than compensated by income from increased activity and continuing development in third party distribution.

Currently, trading in all aspects of the group's activities is in line with expectations and, barring unforeseen circumstances, profits for the year will be satisfactory—pre-tax profits for 1983-84 advanced to £1.84m.

Meanwhile, the interim dividend is being lifted from 1.375p to 1.6p net on the capital increased by the £7.38m rights issue of last March.

Tax for the half year took £235,400 (£268,350) to leave net profits 35 per cent ahead at £516,583 (£382,730).

Earnings per 5p share rose from an adjusted 4.12p to 4.62p.

● comment

For some while the market has heen well aware that Glass Glover would forfeit much of its profits growth this year in favour of expanding the base of its business and yesterday's rise was right in line with the company's earlier forecast. But it was possible to detect a degree of unease amongst the analysts about their earlier predictions of £2.3m pre-tax for the full year. The second half will carry the full costs of reorganising and integrating two acquisitions and developing the Harlow warehouse complex. And the rights money has probably been put to use quicker than the market had expected. So it might be safer to think in terms of £2.1m to £2.2m for this year, which leaves the prospective p/e at 258p at a pretty heady 24. But 1985-86 is when the profits should really starts to push forward again and forecasts of £3.1m to £3.3m pre-tax, dropping the p/e into the mid-teens seem about right. Given the company's reputation and its place in tthe bution sector, the current highly fashionable food distrienthusiasm is not misplaced.

Morceau profits jump by 93% to £1.3m

DESPITE POOR weather conditions in the UK during the winter, Morceau Holdings, supplier and installer of passive fire protection systems, achieved a good level of activitiy on all contracts.

With turnover 51 per cent ahead from £4.55m to £6.89m, this Nottinghamshire - based group lifted pre-tax profits by 93 per cent to £1.31m in the six months to end-March 1985, against a previous £677,000.

In the light of these results the directors are doubling the interim dividend to 1.2p. For the period from the placing of the shares in February to end-September, 1984, a total of 1.6p per share was paid. Last year's profits amounted to £1.58m.

For this half stated net earnings per 10p share are shown almost doubled, from 4.8p to 9.5p.

Mr R. A. Cochrane and Mr P. S. Smith, joint chairmen, say that during the first half the group's overseas projects continued to progress well. The group's order intake has increased and market conditions both at home and ehroad reflect a high level of enquiry.

● comment

The specialised market in fire-proofing steel structures is turning out to be evan more profitable for Morceau than the City had bargained for. Despite the fact that its shares have doubled since its flotation last year, and against the backdrop of a falling market, these interim results were encouraging enough to send the price up another 1p to 217p. There seems to be no shortage of fire-proofing contracts both onshore and on oil rigs in the North Sea. Although much of the company's total profits this year will come from one single project in Hong Kong for the Hongkong and Shanghai Bank, due to be completed next year, early signs are good for more work in the area. In the UK, Morceau is insulated to some extent from e downturn in the construction industry by the very long term nature of many of its projects, which include London Bridge City and a platform for British Gas in Morecambe Bay. The business generetes cash, and the full year's results could include about ·000 in interest on cash balances that might be ebout £4m by year end. Following the excellent start to the year, the company now looks set to make about £2.8m in the full year, which, after a 25 per cent tax charge, would make the shares look underpriced on a p/e of about 11.

More O'Ferrall sees poster market upturn

At the annual meeting of More O'Ferrall, advertising group, Mr Russell Gore-Andrews, the chairman, said that group outlook for the current year was one of recovery of stability in the UK media and a period of consolidation.

This would follow the full integration of Adshel and IDE into the group, and "enable a firm base for future growth to be established."

The UK poster market had shown an improvement from the beginning of June and was becoming less ehort-term in some areas. The company was seeing, for More O'Ferrall supersites and its high quality poster sites, e recovery both in volume and in price.

The proposed acquisition of Adshel was e major development for the group. Adshel sales so far this year showed an improvement over 1984.

The company expected More O'Ferrall SA, as a whole, to do at least as well as last year. On June 18 the company completed the purchase of the balance, 26 per cent, of the French subsidiary, IDE.

The market remained strong in Belgium, but had become more hesitant in France.

Brickhouse Dudley profit nearly doubled at £1.7m

NEARLY DOUBLED full year taxable profits of £1.71m, against £0.92m, were attained by Brickhouse Dudley, a supplier of materials and services to the building and civil engineering industry.

Most of the increase stemmed from a recovery on the manufacturing side where trading profits rose to £937,652, compared with £31,436, and comfortably offset higher losses of £275,899, against £68,747 in civil engineering.

Elsewhere, UK distribution operations earned £1.46m (£1.2m), exports added £100,906 (£179,897), and discontinued operations accounted for £64,406 (£43,292). Total group turnover for the year to end-March 1985 was static at £37m.

A higher final dividend of 2.5p is being recommended, lifting the total payment from 3.2p to 3.45p. Stated earnings per 10p share were 2.42p higher at 6.58p.

Profits were struck after interest payable of £450,000 (£383,000) and were subject to tax of £685,000 (£272,000), leaving a net result of £1.02m (£647,000). There were no extraordinary items this time against debits of £1.61m in 1983-1984.

British Syphon ahead so far

Mr Bryan Morrall, chairman of British Syphon Industries, told the annual meeting that the directors anticipated a substantial improvement in 1985 profits before tax and earnings per share.

He told shareholders that this was based on management accounts for the five months to the end of May. The directors also expected a significant reduction in gearing.

For the 1984 year the Wilmslow-based industrial holding company reported a 180 per cent rise in pre-tax profits to £1.07m and more than doubled earnings of 7.51p.

The meeting heard thet following the acquisition of East Lancashire Paper in December the restructuring and integration of the businesses into British Syphon was proceeding smoothly, although plenty of work remained.

JOBS COLUMN

Net costs of managers, and their secretaries

BY MICHAEL DIXON

WOMEN READERS are requested to refrain from exploding. Within seconds I am going to qnote some short extracts from responses to the Jobs Column of three weeks ago. One of its topics was the differences in fees for finding suitable candidates charged by executive search consultancies on the one hand, and recruiters of top managers' secretaries on the other.

The difference is more than marginal. Executive searchars often charge 30 per cent or more of an appointed candidate's first year's salary, plus expenses, some of which is payable even if no appointment is made. Recruiters of top secretaries charge 15-18 per cent, usually all inclusive, none of it payable unless the post is filled.

What stimulated the response was my suggestion that perhaps employing organisations should start asking why what they can get from a top secretarial agency for as little as 15 per cent, should cost twice as much from some executive searchers. Oddly enough almost all the readers who have replied are searchers wishing to explain that it is not only the charges which are starkly different, but also the services provided.

If some of the terms used in those explanations prove irritating to women, they may find some comfort in knowing things might be worse — if they happened to live in Hong Kong. Witness the following job advertisement sheltering under a box number, found by colleague David Goodhart who says it appeared in the South China Morning Post.

"Very obedient young woman required by American Director for position as Secretary/Personal Assistant. Must be attractive and eager to submit to authority, heve good typing and filing skills and be free to travel. Knowledge of Mandarin an advantage. Most important, she should enjoy following orders without question and cheerfully accept directions."

Images

It would be hard to find anyone willing to risk penning, let alone printing, such an advertisement in this part of the world nowadays. But some of the images called up by the responding western headhunters —not all of whom are men— give hints of a certain condescension towards secretaries, however senior.

For instance, there are no prizes for guessing which of the two images used in the following explanation represents secretaries in the mind of the executive searcher who wrote it.

"Both a Morris Minor and a Ferrari comprise the same essentials for transportation, namely, a body, four wheels and an engine. The differing complexities of construction, engineering and performance, however, separate them greatly in price."

Most executives might find rather less appeal in the role implied for them by a further pair of images which plunge us from street level to ocean floor. "Real and cultivated pearls look the same and fulfil the same decorative role . . ." (sorry, but for some reason I can't help falling about laughing at that point) . . . " the scarcity of one, however, making it vastly more expensive than the other."

Another, less elegant but more salty, half-makes the same claim in stating thet executive searchers "are bidding for the caviare of the job market." What, one wonders, is assumed to be the piscine equivalent of top managers' secretaries—fish fingers?

(One thing they apparently cannot be, if the headhunters' uniformly low valuation of them is right, is kippers. Or at least not in Switzerland, to judge by something I overheard a man telling his companion in a City pub some time ago: "I have some good Swiss friends," he said. "Very wealthy people, they are. But do you know what it is in Switzerland—a kipper? Three times the price it is here! I always take a few kippers when I go to Switzerland, and I go thare quite a lot, comparatively speaking.")

Yet whatever the precise species represented by senior secretaries, they are clearly viewed by searchers as small fry. For most of the letters picture seething pools of them, ever ready to leap to a new employer's bait. By contrast executives worth catching are sparse, lurking secure in their chosen holes in the bedrock and liable to savage anyone seeking to prise them out—which makes them seem more like conger eels than sturgeon.

Since there is such a difference between the two varieties' habits, I am assured, executive search is inevitably a low volume, high overheads business and recruiting top secretaries a high volume, low overheads doddle.

Feeling that the debate had been somewhat one-sided so far, I put the headhunters' claims to a representative of the other kind of recruiters: Neil Corby of Directors' Secretaries in London. His immediate response, suitably expurgated, was an invitation to pull the other leg on grounds that it had bells on.

While the general market for recruiting secretaries fitted the high volume, low overheads formula, he said, it did not apply to providing a selection-down-to-shortlist service for jobs at the top end of the market. His was a low volume, fixed overheads business.

At no time would it be willing to take on more than 25 job-filling assignments. Before accepting an employer client it always personally interviewed the top manager requiring the secretary. "Only the bosses themselves can give a proper idea of the person needed, not their deputies, personnel managers or—even worse, the secretary who's leaving."

Nor are there shoals of candidates to hand. "It's true we don't go around cold-canvassing people who wouldn't otherwise be thinking about moving. But that's about the only real difference to my mind."

Few qualified

He places a small advertisement in a quality newspaper each week, which typically draws about 100 applicants. But fewer than 10 are usually adequately qualified in objective terms. "We tend to end up with still fewer because our experience is that there are certain other criteria on which it's wisest to decide against. We don't take people just returned from working overseas, for example. They often can't settle down in their first job afterwards.

"Good senior secretaries work as a partnership with their bosses, not least in spotting and taking care of the various important things that particular top managers have a habit of overlooking. You can't have a partnership like that without continuity, so we're averse to choppers and changers. We don't take separated people either."

What about the divorced?

"Depends on circumstances, how long they've been divorced in particular. Bosses' secretaries are too important a part of the business to justify putting forward candidates at risk to being distracted by emotional upheavals. They have always to be at least as professionally reliable as their boss and as high-powered too, without making a lot of noise about it."

So they are not Morris Minors to their chiefs' Ferraris?

"No. Senior secretaries are Rolls-Royces."

How about not real, but only cultured pearls?

To talk of them in terms of jewellery was not just hackneyed but ridiculously inappropriate, Mr Corby snapped. Top secretaries were not there for ornament. If they did their job properly they were in effect if not in name pretty senior managers. Much of their work often involved managing the boss, which not many other executives in the same business would feel equal to.

Whereupon I confronted him with the one about searchers seeking the caviare of the jobs market. What sort of fish course was his kind of agency shopping for?

"Go fry yourself," he said.

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Your role will primarily cover internal and external market analyses with a view to rationalising existing products (and proposing new) identifying target markets and developing delivery systems.

To succeed in this challenging role you will probably be a graduate/MBA with a well rounded, proven marketing track record. Your experience must have included market research and product development in Consumer Finance or related industries. Self motivated and committed, you must be able to demonstrate excellent communications and leadership skills.

Our clients offer a generous benefits package including, where necessary, a relocation allowance.

Please write quoting ref: 137 or telephone Reading (0734) 508456 for an application form and position profile.

BPS MANAGEMENT SERVICES
1st Floor, 32 St. Mary's Butts,
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Training, Recruitment & Personnel Consultants
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R. Nivison & Co.

Private Client Executives

R. Nivison & Co. is a well capitalised firm established by the Nivison family in 1886 and intends to remain independent.

Private Client Executives who would be happier managing their portfolios on a more personal basis, as part of our expanding Private Clients Department, are encouraged to write or telephone, in confidence to:—

Nicholas Langley,
R. Nivison & Co.
25, Austin Friars,
London EC2N 2JB
Telephone: 01-588 7244

CHANGE OF ADDRESS

We are pleased to announce our relocation
to larger premises at
127 Cheapside, London EC2V 6BU
with effect from Monday 24th June 1985.

Our telephone number,
01-588 6644, is unchanged.

Anderson, Squires Ltd
Bank Recruitment Specialists
127 Cheapside, London EC2V 6BU
Anderson, Squires

Manager/Company Secretary

City **c £15,000**

For trust funds involving several £ million. The appointee will initially understudy the present manager prior to retirement, later taking over the full administration of the Trust and statutory duties as Secretary, responsible to the Directors. Duties will include liaison with stockbrokers, handling securities, overseeing the accounting function and its computerisation, property and insurance.

Candidates, male or female and aged 35 to 50, should preferably have experience of:
* trust accounts or accounting, gained possibly with stockbrokers or other City institutions
* office management

Formal qualifications not required. Starting salary c£15,000; non-contributory pension and other benefits.

Please write in confidence to the Trust's advisor, RK Gorringe, at 25 New Street Square, London EC4A 3LN.

Clark Whitehill Consultants
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A direct line to the executive shortlist.

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives. *InterExec clients* do not need to find vacancies or apply for appointments.

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For a mutually exploratory meeting telephone:

BIRMINGHAM	021-632 5648	The Rotunda, New Street.
MANCHESTER	061-236 8409	Faulkner House, Faulkner Street.
BRISTOL	0272 277315	30 Baldwin Street.
EDINBURGH	031-226 5680	47a George Street.
LEEDS	0532-450243	12 St. Paul's Street.

LONDON 01-930 5041/7 **InterExec**
19 Charing Cross Road, WC2.

The one who stands out.

INTERNATIONAL BANKING

SENIOR MANAGER CAPITAL MARKETS
£Highly neg.

Our client, a prominent merchant bank, has an excellent career opportunity for a Senior Manager to join its Capital Markets Group and to assume wider responsibilities within Corporate Finance at a later date. Candidates are likely to be graduates, aged under 35 years, with sound Capital Markets experience, who have the ability to run a department involved in the origination and placement of Capital Market products. Further experience within the secondary markets would be a distinct advantage.

Contact: Leslie Squires

BOND SALES
Progressive merchant bank to £40,000

A top Eurobond Sales professional is sought by a prominent merchant bank whose capital markets activities have been notably successful. The person appointed will be a key member of a growing department handling very substantial Eurobond Sales. We should be happy to discuss this opportunity in confidence with candidates who are aged under 35, have a proven track record and are seeking a more progressive and rewarding career opportunity.

Contact: Leslie Squires

CORPORATE TREASURERS
A move into banking c.£20-30,000 + Car

This opportunity, with a prestigious U.S. Bank, is an opportunity to cross from a treasury department in industry to commercial banking and relationship management with the bank's largest clients. Understanding of a company's structure, financing needs and general problems will be essential characteristics for successful candidates. In return, our client offers an immediate entry-point to a marketing career.

Contact: Kevin Byrne

CORPORATE F.X. DEALERS
(Major bank in new venture) £15,000-£30,000

One of the largest banking institutions in the City is merging its investment banking, corporate finance and treasury activities in an exciting new venture. They require both young and experienced Corporate Dealers with the ability to operate in a wider market of financial products and services. The client base is one of the widest in the U.K., and support in every area is considerable. Career prospects are particularly exciting in this atmosphere of change and may include a spell overseas.

Contact: Kevin Byrne

YOUNG COMMERCIAL BANKERS
"Cross over" to Merchant Banking

Our client is a top flight merchant bank with an enviable reputation for an innovative flair — a policy decision to more actively market its Capital Markets products (with particular reference to swaps) has created openings for top-quality young bankers, probably working in relationship management within U.S. banking. This role offers the chance to specialise in one or two major product groups, whilst maintaining a generalist marketing profile. Career prospects are first class.

Contact: Kevin Byrne

A.C.A. — CORPORATE FINANCE
c.£17,000

Our client is a leading merchant bank with an extensive overseas network and a reputation as a highly innovative force in corporate financing. In conjunction with ambitious development plans, the bank is recruiting a high-calibre Accountant to join its specialist Corporate Finance Division. The appointment represents a superb entry-point to the marketing and execution of complex transactions for a newly or recently qualified Accountant with large firm experience.

Contact: Felicity Hother

YOUNG CREDIT ANALYST
(Marketing Potential) c.£15,000

A prime US bank seeks an ambitious young Credit Analyst to move into its busy Credit Department. The role will involve a high level of corporate analysis and a considerable degree of later customer contact. Candidates should have a sound academic background and a background of at least two years in credit (preferably US trained). The position offers a direct move into marketing, subject to proven performance within the credit area.

Contact: Sarah Beaumont

BANKING IN WALES
£9-11,000

A recognised and expanding UK bank, providing a wide range of banking services to commercial enterprises and the general public, wishes to appoint a Sub-Manager to a busy branch in Cardiff. Candidates are likely to be clearing bankers aged in their mid/late 20s, well educated ('A' level/graduate), probably on a Management Development Programme and/or qualified A.I.B., with branch experience at Grade IV level or above in both retail and corporate sectors. Career prospects are very good, in line with the continuing growth of the bank.

Contact: Ken Anderson

Anderson, Squires Ltd., Bank Recruitment Specialists
127 Cheapside, London EC2V 6BU

01-588 6644

Anderson, Squires

ASSISTANT TREASURY MANAGER

A challenging role has arisen within the Treasury Department of Armstrong World Industries, the wholly owned British subsidiary of a progressive U.S. multi-national. The company manufactures flooring, ceiling and insulation products and has an established reputation for quality and service.

Reporting to the Treasury Manager, this is an ideal opportunity for a self motivated and ambitious person to move into the treasury function, which includes management of currency exposures, cash management and control of banking relationships and a chance to gain experience in foreign exchange.

The ideal candidate aged 20-35 years will have at least 3 years' accountancy or treasury experience, and be studying for an accountancy qualification.

This position offers good career prospects, an attractive salary with further performance related salary progression, a non-contributory pension scheme and other benefits associated with a large multi-national company.

For application form and further details please phone

Ms. Jackie Millis (Personnel Officer) Armstrong World Industries, Armstrong House, 3 Chequers Square, Uxbridge, Middlesex UB8 1NG Tel: (0895) 51122

Armstrong

Computer Audit Management

International Banking

HONG KONG

around HK$260,000 pa tax-paid plus expatriate benefits

HongkongBank, one of the world's leading international banks, requires an experienced executive to fill the position of Assistant Manager Computer Audit in its Hong Kong Head Office. This is an exceptional career opportunity and to the suitable candidate offers the prospect of progression to Manager Computer Audit within 12/15 months with responsibilities covering the audit of the Group's EDP systems and installations *throughout the world.*

Advanced and progressive systems in use and under development, including electronic banking and a global telecommunications network, provide a challenging working environment. Principal functions of the Computer Audit Division are as follows:

- Monitoring of systems under development and advising on control implications
- Auditing installations and systems
- Development of audit software and integrated audit programmes

The Assistant Manager will be involved in the day to day running of the division and will deputise for the Manager in his absence. In addition the successful applicant will manage complex audit assignments and systems reviews which could involve up to 15% travel overseas, mainly in the Asia Pacific region.

Candidates should demonstrate a high level of technical expertise as well as having well developed audit skills. Knowledge of banking applications will be a distinct advantage, as will familiarity with IBM mainframe and mini computers.

The preferred candidate is likely to be a qualified chartered accountant, or else have a background in computer audit, management consultancy or system design with a proven track record. Essential personal qualities include excellent communication skills, management ability and a capacity to generate innovative ideas.

Conditions of service are excellent. In addition to the tax-paid salary indicated, benefits include free fully furnished accommodation, a housing loan, six weeks' annual leave with a generous travel package, children's education allowance and holiday passages. An appropriate increment in salary will be given on promotion to Manager Computer Audit.

There will be an initial two year contract which may be converted to permanent employment by mutual agreement.

Please telephone or write for an application form by 10 July 1985 to:

International Recruitment Officer
The Hongkong Bank Group
99 Bishopsgate
London EC2P 2LA
Tel: 01-638 2366 ext. 2922

HongkongBank
The Hongkong and Shanghai Banking Corporation

Young Marketing Executives

A major US bank is currently looking for talented young bankers to join one of its highly successful departments which deals with some of the most prestigious corporate names in the world.

Joining a small, versatile team, this represents an outstanding opportunity to gain immediate exposure to a variety of transactions including:

★ Lending ★ Capital Markets ★ Project Finance

Candidates will have bank credit training (preferably US) and should be graduates/MBA's with a high level of ambition and personal commitment. Efficiency, professionalism and initiative are essential if you are looking to pursue your career in this dynamic and rewarding environment.

The salary package is attractive and prospects for promotion are considerable. Interested applicants, probably aged 23-28, should contact **Christopher Smith** on **01-404 5751** or write to him at the Banking & Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref. 3512.

MP
Michael Page City
International Recruitment Consultants
A member of the Addison Page PLC group

Market and Sell
Private Banking Services

At present you are frustrated because your banking or investment knowledge is not properly rewarded. This knowledge will ideally, but not necessarily, have been gained from direct work experience. You are aged 35 to 50, lucid, ambitious and impatient to fully demonstrate your potential. You are a positive and sophisticated marketing person, well connected and able to influence existing contacts while identifying and harnessing new ones.

This privately owned bank with impeccable credentials looks for a marketing executive to build and spearhead a strong and profitable marketing operation. The bank was acquired in London by European interests in 1982 since when there has been an injection of capital and the recruitment of decisive executives. The operation is now prepared for growth. The product range centres on the provision of private banking and investment management facilities for higher net worth individuals.

As a vital part of the private banking division your task will be to build on, and multiply, the present client base and you must demonstrably be able to achieve these objectives.

The remuneration package will be an amalgam of salary and incentives plus banking benefits, pension scheme and a car. If you meet these requirements and wish to proceed, please write to Derek Cox of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

Cripps, Sears

People at the top of their profession expect Financial Advisors of the same calibre

At Providence Capitol, we recognise that few successful business people have time enough during the busy working day to think seriously about corporate investment. We also recognise that as one of Britain's most dynamic and fastest-growing insurance companies, with a powerful *record of achievement in investment of all* kinds, we're in an unrivalled position to assume that responsibility on their behalf.

To capitalise substantially on this market sector, we're creating a small team of high-calibre Life Sales Associates, whose task it will be to advise senior executives on their financial investment options, on their own ground and in their own language, skillfully parrying the difficult questions they are likely to pose - and demand rapid, informed answers to.

It may sound an exceptionally tough brief. It is - yet it also promises to be a highly lucrative one: both of which are prime *reasons why you'll* want to be part of this major initiative in a highly competitive market place.

And you can be so, if you already possess the rare mix of business acumen, energy, mental agility and sheer market presence that will be essential to your success - and our own. We will naturally complement these personal qualities and skills with a comprehensive training programme and product range renowned for their quality, innovation and high performance - and the market support and security that can only come from belonging to a £2 billion corporation.

For more information about these key appointments - and about the equally high-calibre performance-related packages that accompany them, write with CV to, Wendy Newman, (Ref: 346), Whites Bull Holmes Ltd., 63-66 St. Martin's Lane, London WC2N 4JX.

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Executive Management Services Ltd,
32, Savile Row, London W1 01-734 3879

OIL TRADER

A small oil trading group requires a crude and petroleum products trader

Applicants should have 10 to 15 years experience of the oil industry with at least the last 3 years in a commercial/trading position.

A sound knowledge of the European market is essential, while familiarity with the U.S. and Far East markets would be an advantage.

The remuneration is negotiable but will reflect the experience of the successful applicant.

Please forward a comprehensive C.V. and photograph (returnable) to Box A????, Financial Times 10 Cannon Street, London EC4P 4BY

REUTERS REUTERS REUTERS

Bonds Market Expertise
A high-growth marketing application
Based in Central London Up to £25,000 + car

You are probably already aware of the importance that Reuters' information services have in today's business world. In your particular field - the Bonds Market - our deployment of advanced communications technology continues to make a major impact. Reuters now provides a database of relevant historic information as well as real-time information and has recently developed and successfully marketed a vital Bonds Dealing Service.

Candidates should have at least 3 years' experience in the Bonds Market, with a knowledge of Eurobonds, Gilts, UK Corporate bonds and ideally the fixed interest market. Reuters position in the financial markets is already well established and subscriptions to the Bonds services contribute substantially to total revenue.

As Assistant Market Manager, Bonds, you will play an important part in continuing the growth - evaluating the performance of existing products, researching the markets, defining and launching new products, and promoting and publicising the full Bond product range. In short, providing full support to the Bonds Market Manager.

Probably aged between 27-35, and a graduate, your interest in market developments and the application of new technology will form the basis of your success as a 'creative thinker'. In addition, the necessity for accurate, concise report-writing and effective communication with senior management within and outside Reuters will demand a combination of sound administrative and interpersonal skills, and enthusiasm.

If you meet these requirements the scope for your personal career development will *match that of ours in the market.* Some international travel will be required. As well as an attractive salary and car, we offer a competitive benefits package including six weeks annual leave, free BUPA cover, and subsidised restaurant.

Please write with full career details or telephone 01-353 7329 (24 hour answering service), to The Recruitment Executive.

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INTERNATIONAL MERCHANT/INVESTMENT BANKING
"FINANCIAL ENGINEERS"

We seek applications from highly motivated Graduates, MBA's or ACA's, aged 29-33, who have enjoyed successful careers to date, gained within Banking, Management Consultancy, or those approaching Partnership Level, in a "Top 8" Accountancy practice. Vacancies exist in the following highly specialised functions:-

Capital Markets	£30 — £60,000
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Cross Border Asset Finance/Big Ticket Leasing	£30 — £50,000
Sales Aid/Vendor Programmes	£30 — £50,000
IBM Computer Lease Marketing	£25 — £50,000
International Taxation	£25 — £40,000

The above salary packages are negotiable; and will not be a deciding factor.

For the above vacancies please contact Brian Gooch or Peter Haynes

All applications will be treated in strict confidence.
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CAPITAL MARKETS — PRODUCT DEVELOPMENT

£Negotiable

A major force in the Eurobond market is seeking to recruit several high-calibre executivas to work as staff mambers in the Product and Business Development Division.

Liaising closely with the Corporate Finance Department and Trading desk, the successful candidates should have a sound knowledge of sophisticated products including swap transactions.

Duties will include pricing of Items for New Issues and co-ordination of the distribution network together with some syndications work.

Our client is strongly placed in the International Capital Markets and this represents an outstanding opportunity to consolidate a career in investment banking. A substantial remuneration package is envisaged for candidates with an appropriate depth of experience.

For further details, please contact our City recruitment team – **Robert Digby, Christopher Lawless** or **Stuart Clifford** – to arrange an informal and confidential discussion.

Financial Recruitment Specialists
16-18 New Bridge St. London EC4V 6AU
Telephone 01-583 0073

Industrial Economist
Industrial Bank of Yemen
Yemen Arab Republic

An Industrial Economist is required to develop and initiate systems to provide management with information enabling them to monitor, control, review and evaluate projects contained within the Bank's portfolio.

Other duties include advising on training needs for staff working within the department, and also on improvements to project preparation.

Applicants should be British Citizens with an engineering background and a degree in Industrial Economics. Five to ten years projects follow-up experience, preferably gained in a developing country, is desirable, as is a knowledge of Arabic.

The appointment is on contract to ODA on loan to the Government of the Yemen Arab Republic for a period of two years. Salary (UK taxable) is in the range £18,825 to £19,425 pa, including an element in lieu of superannuation. A variable tax free Foreign Service Allowance, currently in the range £4,686 to £9,546 pa, is also payable.

The post is wholly financed by the British Government under Britain's programme of Aid to the developing countries. Other benefits normally include paid leave, free family passages, children's education allowances, free accommodation and medical attention.

For full details and application form, please apply, quoting ref. AH309/AF/FT, stating post concerned and giving details of age, qualifications and experience to: Appointments Officer, Overseas Development Administration, Room 351, Abercrombie House, Eaglesham Road, EAST KILBRIDE, Glasgow G75 8EA.

ODA OVERSEAS DEVELOPMENT
Britain helping nations to help themselves

CREDIT DU NORD
LONDON BRANCH

is seeking a Dealer, with at least three years' all-round experience, to join its active and expanding Dealing Room.

The main responsibility will be to trade the Euro-Dollar Deposit book. A knowledge of C.Ds.-F.R.As. and Financial Futures would be a great advantage.

Salary is negotiable together with a good package of benefits including non-contributory pension scheme.

Please write in confidence enclosing your c.v. to:—

Mr. M. C. Barr, Treasury Manager
Crédit du Nord
10 Old Jewry, London EC2R 8DU

A PRIVATE CLIENT BUSINESS

We are a renowned manufacturer and supplier of the highest quality products, specialising in a traditional London trade, and we require a person with experience in dealing with important private clients to work in the West End of London

We need someone who has the ability to deal with a wide range of international clients, who can identify trading opportunities and who will negotiate the purchase and sale of products of excellence.

The successful candidate will report to the Managing Director and direct a small team of experienced valuers and salesmen. Leading from the front, he will make a direct contribution to company profitability and cash management.

Previous experience in valuing high-quality goods and success in selling goods and services to individuals is important. Knowledge of investment and insurance services will be a distinct advantage, as will an appreciation and interest in works of art.

A sympathy with, and personal interest in, field sports is most desirable

Preferred age over 40. Salary about £20,000

Please write in complete confidence, and with personal career details to Box A9054, Financial Times 10 Cannon Street, London EC4P 4BY

City Division
IRRIGETT BOWERS PLC

Eurobond Sales	£25–30,000
Business Development Manager	c £25,000
Trade Finance Officer	£neg
Eurobond Settlements	£15–18,000
Capital Markets	c £16,000
Personnel: Benefits	c £15,000
Research Exec.: N. America	c £15,000
Marketing Officer	c £13,000

City Division
The International Business Centre
2 London Wall Buildings, London Wall, London EC2M 5PP.
Telephone 01 628 4200 Ext 286/7/8
Recruitment Consultants

Which?
Financial Research Management

Central London — **to £17,000**

Consumers' Association exists to help consumers – by publishing its magazines and books end through campaigns on behalf of the consumer interest. The Money Group researches and presents financial information, primarily on family finance, for publication and to support campaigns.

You will manage eleven staff – mainly graduates – in the Money Group, leading a highly professional young research team to ensure that projects meet tight deadlines and high standards of presentation and accuracy. Contacts must be developed within the fast-moving financial world and ideas generated for new money subjects and new outputs for the Group's work.

Probably aged 25 to 35, you should ba a numerate and articulate graduate with several years' experience of conducting your own research, ideally on financial or economic subjects, and proven leadership skills. A demonstrable interest in the personal finance area is essential, as is a flexibility and sense of urgency combined with an attention to detail. Any journalistic skills would be an advantage.

In the first instance please write – in confidence – with full career and salary details to Peter Evans ref. B.49296.

This appointment is open to men and women.

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52 Grosvenor Gardens, London SW1W 0AW

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HAY-MSL
MANAGEMENT SELECTION

MERCHANT BANKING
INVESTMENT FUND MANAGERS

Several of our Merchant Banking clients wish to expand and strengthen their Investment Departments in the Management of both Private Clients' and Pension Funds. Candidates aged between 25/35 years, will be Graduates with several years' experience of UK and/or North American Equity Markets, gained with a Merchant Bank, Stockbroker or Financial Institution.

Highly competitive remuneration packages will be offered, together with the usual banking benefits.

CORPORATE FINANCE

Due to increasing demand for the services of its Corporate Finance Department our client, an Accepting House, wishes to recruit two additional Executives.

Applicants should be aged 25 to 29, have a good degree and hold a professional qualification (A.C.A., or Solicitor). Some experience of corporate finance work would be an advantage.

Competitive salaries will be paid together with the usual bank benefits.

Please telephone, or write enclosing a detailed Curriculum Vitae to,
Peter S. Latham (Director)

JONATHAN WREN & CO. LIMITED,
170 Bishopsgate, London, EC2M 4LX. Tel: 01-623 1266

Jonathan Wren
RECRUITMENT CONSULTANTS

INSTITUTIONAL SALES EXECUTIVE
Edinburgh

Bell, Lawrie, Macgregor & Co. is a well established independent securities house in the centre of Scotland's Financial Community. Expansion of our Corporate Finance Department and the extension of our research coverage has resulted in the introduction of this new role of Sales Executive within our Institutional Team.

The position will appeal to self-motivated individuals aged ideally 25-35 who have considerable sales experience, preferably with a large firm of Brokers and now wish to take on a new challenge and, in turn, considerably improve their career prospects.

Salary will be fully negotiable to attract the highest calibre of applicant. In addition a competitive benefits package is offered, which includes full relocation costs where necessary.

Please write with career details to: D. J. H. McIntosh,

Bell Lawrie Macgregor & Co.
P.O. Box 8,
Erskine House,
68-73 Queen Street,
EDINBURGH
EH2 4AE.

ACCOUNT OFFICER
£ – Negotiable plus benefits

Bank Mees & Hope NV, a Dutch merchant bank, opened its London branch in 1982 to provide more services for our international and UK corporate clients. We have rapidly expanded both the range and volume of our services, especially in commodity trade financing.

Due to a planned expansion programme and to help with further development we now seek to appoint an ambitious person aged 25-30 with a broad banking background and a thorough credit training to add to our team of account officers. Some commodity experience would prove an asset but is not essential.

We offer scope for personal development, a salary commensurate with qualifications and experience and the usual range of banking benefits.

Please send full C.V. to Mrs Helen Wood.
Applications will be treated in strictest confidence.

BMH BANK MEES & HOPE NV Licensed Deposit Taker
Princes House, 95 Gresham Street, London EC2V 7NA

International Banking Recruitment Consultant (German speaking)

Jonathan Wren International is the specialist overseas appointments arm of the Jonathan Wren Group, the acknowledged market leader in the field of banking recruitment. Our clients rank among the top US, European and Arab banking institutions for whom we recruit middle and senior executives. As a result of continued demand for our services and planned growth, we now seek to appoint an additional consultant to join our highly successful team to develop new and maintain existing relationships with banks in German speaking Europe.

Ideally aged between 28 and 35, candidates should be self-motivated individuals with sound marketing abilities and good communicative and interpersonal skills and should possess a minimum of five years' banking or relevant consultancy experience. They should be German nationals or be totally fluent in German.

This position represents a challenging opportunity to join London's leading international banking recruitment consultancy and offers a high level of job satisfaction and excellent prospects together with overseas travel.

Remuneration will be a combination of base salary and a generous performance related bonus.

Please telephone or send a Curriculum Vitae to: **LAILA RAFIQUE**, Associate Director, **Jonathan Wren International**, 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266.

London, Sydney, Hong Kong

Jonathan Wren International Ltd
Recruitment Consultants

EUROBOND SALES

CIBC Limited the wholly owned merchant banking subsidiary of Canadian Imperial Bank of Commerce is expanding its Eurobond Sales desk which has created openings at both senior and junior levels.

Successful applicants will be self starters in their twenties or thirties. They will have had some sales experience in eurobonds or related markets for the junior level or 3-4 years of consistent sales achievement for the senior level.

Remuneration package is negotiable and fully competitive with market levels. An excellent benefits package is available.

Replies in confidence to:- J.B. Clark,
CIBC Limited, 55 Bishopsgate, London EC2.

MARKETING DIRECTOR

City — **£30K (negot.) + car**

Our client is a successful City computing services company with an impressive track record of growth and a high quality customer base. Current turnover is around £10 million with pre-tax profits in excess of £1 million. Tha company is a major subsidiary in a well-known UK publicly quoted Group.

Products, which include computerised financial databases, on-line terminal based services and a family of specialised application packages, are marketed principally to leading financial institutions in the UK and overseas, and to the accountancy profession.

The company now wishes to establish a powerful Marketing function to help spearhead further growth. For this purpose an ambitious candidate of high calibre is sought. He/she is likely to be a graduate aged 30/45 with a good all-round marketing/product development track record.

Reporting to the Managing Director he/she will play a key role in formulating and helping implement the Company's marketing strategy in respect of both existing and new products and services, and in identifying potential areas of business growth, including acquisitions.

Our client is looking for a candidate who combines intellectual and personal calibre and creative flair with down-to-earth business judgement and who can make a worthwhile contribution at Board level as a member of an experienced and successful management team.

Applications under Ref. No. RC 228 to:

Miss Marion Williams, Extel Recruitment,
4 Bouverie Street, London EC4Y 8AB. Tel: 01-353 5272

Extel Recruitment Executive Selection Consultants

INBUCON

Assistant Director

Investment Management — **Circa £30,000**

Our clients are leading Merchant Bankers in the City and members of the Accepting Houses Committee. They wish to recruit someone for an interesting and challenging dual-role appointment: to look after their customers' quoted investments in Japan, as well as to manage some general portfolios in the United Kingdom and other markets involving Private Client and Pension Fund activities.

The requirement is for a sound background of investment research and fund management experience, particularly in equities, either U.K. or overseas, with a suitable university or professional qualification and the personal qualities to enjoy a close working relationship with a successful management team as well as with the Bank'a customers. Specific knowledge of the Japanese market, although an advantage, will not be essential since training in that sector will be offered. Ideal candidates are likely to be in the 35-40 age range.

An attractive salary and bonus package is negotiable to around £30,000, plus car and other benefits.

Please write with full career details, quoting reference 4105 to A. G. N. Burden

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Search and Selection
Knightsbridge House, 197 Knightsbridge, London SW7 1RN

Accountancy Appointments

UK Internal Auditor

North Herts

c £20,000 + bonus + car + subsidised mortgage

This well-established Canadian company provides an extensive range of competitive products and services to meet all needs within the life insurance sector. It has offices worldwide, and, with assets of more than $12 billion, is recognised as a major international financial corporation.

The company is seeking a high calibre qualified accountant to take full responsibility for the UK internal audit function. Reporting to the General Auditor in Toronto, you will be formulating audit strategy for, and monitoring financial controls on all UK operations. A major challenge will be to increase the computer audit capability, and build a responsive operational audit service.

Candidates will have several years auditing experience — preferably in computer audit — probably gained in a major accounting firm or financial institution. Ambition, initiative and self-motivation are the qualities needed to cope with the demands of this position, as is an analytical mind and good communication skills. Candidates under 28 years are unlikely to have the relevant experience. The remuneration package is exceptional, and includes a fully expensed car.

Please reply in confidence, giving concise career, salary and personal details to Peg Eva, Executive Selection, quoting Ref. ER791.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Operations Accounting Manager

A real challenge to make a significant impact.

Smiths Crisps, part of the successful multi-national Nabisco Group, produce and market a wide range of snack food products under the Smiths, Tudor, Planters and Big D brand names.

With a turnover in excess of £130 million and a commitment to greater business growth and profitability, our Finance function has a major impact on business planning. This means we can offer a real career challenge, with prospects to match, to a young accounting professional with sound commercial awareness.

The Operations Accounting Manager has a key objective to develop and implement control systems to identify product costs and manufacturing overheads. Another aspect will be the financial management of the Company multi-million pound capital expenditure plans. The job has functional responsibility for the management and co-ordination of manufacturing accountants located at production facilities throughout the country and will involve close contact with both factory personnel and management to director level.

This is a senior role, calling for an impressive record of relevant experience (supported by an ICMA qualification) and the strength of personality to give overall direction to our manufacturing accounting operation.

Reflecting the contribution we expect you to make, we are offering a highly attractive salary and a generous range of benefits, including a Company car. Moreover, there will be genuine opportunities for career progression within either the Company or the Group.

Please write, enclosing a full C.V. to: Keith Norton, Personnel Manager, Smiths Crisps, 121 Kings Road, Reading, Berks. Tel: (0734) 583566.

SMITHS CRISPS

NABISCO GROUP

Young, ambitious Accountants

High Technology
Rapid Change
Early Responsibility

As a world leader in the fast moving field of advanced electronic control systems, based in the Thames Valley, our client is the first to recognise the importance of personal career development. As a result of internal promotion and business expansion there are opportunities for young, high talent accountants to fill key roles within the organisation with a view to future career progression.

Operations Auditor c.£16,000, Qualified + 1/2 years' experience.

A group-wide role in which you will be evaluating a wide range of accounting systems, proposing changes and overseeing their implementation. A challenging opportunity to develop your knowledge of computerised systems as part of a highly specialised corporate team.

Management Accountants c.£13,000, ACMA with FMCG experience.

To assume key positions in two of our client's most successful divisions we are looking for recently qualified ACMAs with ideally a Business Studies/Accounting degree. You will have wide ranging responsibility for planning, reporting and systems development to meet the needs of these expanding businesses. Individual achievement will firmly establish your career within the Company.

Management Accountant c.£13,000 pref. Finalist with experience in the Construction Industry.

Reporting to the Senior Management Accountant, this is an excellent opportunity to make rapid progress in a major sector of the business. You will be playing a central role in the preparation and analysis of annual planning, monthly and yearly reports and ad hoc investigation. Excellent communication skills, enthusiasm and the commitment to make an early contribution are essential.

If you believe that you have the necessary drive and personality to meet our client's requirements then please contact Steve Rowe on (0344) 416640 or send a brief CV to Rob Smith at: Macmillan Davies Confidential Reply Service, The Old Vaults, Parliament Square, Hertford, Herts. SG14 1PU.

Macmillan Davies Personnel Consultants

International Financial Controller

Berkshire Based **Salary c£40,000 + Car + Benefits**

Our client is a major international organisation trading from 42 locations worldwide and experiencing an exceptional record of growth. Currently group turnover is in excess of $100 million.

To support this rapidly expanding business they have identified the need for an International Financial Controller who will report to the General Manager and assume full control and responsibility for all financial matters worldwide. He/she will be supported by a sound organisation of professional staff.

The successful candidate, aged 30-40 will be a qualified FCA with extensive experience at a senior level in a fast moving International business. Fluency in English and two further European languages is considered essential as there is a high proportion of overseas commitment.

In recognition of the seniority of the post, an excellent remuneration package is offered together with relocation expenses as appropriate.

Interested candidates should write to Don Day FCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 266, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

QUALIFIED ACCOUNTANT

for corporate audit role

A highly profitable international organisation seeks a professionally qualified Accountant to join its European Corporate Audit team.

The department is responsible for carrying out operational audits in Europe, the Middle East and Africa.

A good working knowledge of either French or German, in addition to fluent English, is required. Candidates are likely to be in their late 20s, with the self-motivation and initiative to operate both independently and as part of a small team. It is also likely that candidates will already have worked overseas and that their accounting experience has been gained in a commercial environment.

Computer awareness and American multi-national experience would be an added bonus.

An excellent salary package, including a company car, will be negotiated.

To apply please send full career details to: Crawford Halls Harrison Cowley Recruitment Limited, 5-7 Forlease Road, Maidenhead, Berkshire SL6 1RP. Please quote reference RO14 and list separately any companies to whom your application should not be forwarded.

CHHC Crawford Halls Harrison Cowley Recruitment Ltd.

Newly Qualified ACA Major FMCG Group

West London **To £16,000**

The company is one of Britain's largest with manufacturing and marketing operations throughout the world. As such, it can offer experience, training and career prospects of the highest order.

This challenging position has arisen within Group Headquarters which will involve the successful candidate in accounting and financial project work relating to part of its overseas operations. This entails providing professional accounting, financial and taxation support to, and acting as a communications link between, the Group Director for the area and Group Finance Department.

To be eligible, candidates should be Chartered Accountants in their mid-twenties, with a good academic record, a large firm background and the confidence and ability to succeed in a demanding environment.

To apply, please telephone or write quoting Ref: BB9641.

Lloyd Chapman Associates

International Search and Selection

160 New Bond Street, London W1Y 0HR. Telephone: 01-408 1670.

Construction Industry Financial Director & Company Secretary

£35,000+

OUR CLIENT is a long established major public company in the home building, property and construction industry. Turnover is in excess of £100m p.a. with pre-tax profits of well over £10m and growing.

YOU WILL be aged 35-45, a well educated, commercially minded qualified accountant and have held senior financial management responsibility at director level.

YOUR ROLE as the Financial Director of this quoted company will include representing it and negotiating with City of London financial institutions for both routine and special purposes.

YOU WILL be able to execute the consolidation of the company accounts and discharge the role of Company Secretary with efficiency and professionalism.

YOU MUST be able to demonstrate good commercial acumen, a thoroughly professional approach to accounting and be able to play a wider corporate role as a member of a highly experienced and closely knit, cheerful management team.

THE REWARDS are excellent, both financially and for the career opportunity to join a successful and developing company. The attractive negotiable remuneration package reflects the importance of the appointment.

Please write or phone: John Lee, Director, Marlar International Limited, 14 Grosvenor Place, London SW1X 7HH. Telephone: 01-235 9614.

All applications are treated in complete confidence.

TNT AGENCIES [UK] LIMITED

AGENTS FOR TRANS FREIGHT LINES - MAIN OFFICE ILFORD

New organisation being established and opportunities exist for the following positions:

ACCOUNTING MANAGER
CREDIT CONTROLLER
ASSISTANT CREDIT CONTROLLERS
ACCOUNTING ASSISTANTS

Apply in writing with your curriculum vitae to:

Personnel Department
TNT Agencies (UK) Limited
83 Kingsway
London WC2B 6RH England

FINANCE DIRECTOR

South Yorkshire **c £20,000 + car + benefits**

A high profile marketing and advertising group with a remarkable record of growth and success now needs an energetic Finance Director to guide the company towards a USM listing.

Reporting to the Chairman you will have sole responsibility for the accounting of group activities and be closely involved with general management matters.

The successful candidate will be a technically strong qualified accountant (27-35) possessing a commercial but professional approach. Strength of personality and the ability to communicate at the highest level are important pre-requisites.

An offer of commitment, real contribution and involvement will be rewarded by an excellent package including a board appointment and future stock options. Apply in the first instance to Alyn T. Pearce, LL.B., A.C.A., Senior Consultant, quoting ref: 85/1404 FT.

Daniels Bates Partnership
PROFESSIONAL RECRUITMENT

Daniels Bates Partnership, Josephs Well, Hanover Walk, Park Lane, Leeds LS3 1AB. Tel: (0532) 461671 (5 lines 24 hours).

Deputy to European Finance Director

West of London base ***c£18,000 + Car***

Our client is a division of a highly profitable rapidly expanding U.S. Corporation with a worldwide turnover of $2BN. Continuing development in Europe has created the need to recruit a bright, young qualified accountant 27-32 with flair and initiative able to deputise for the Finance Director. The position will entail close liaison with the controllers of the European subsidiaries and will involve budgeting, forecasting, systems development, carryiog out special projects and one-off investigations. If yon enjoy travel and are capable and ambitious please contact R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387

Accountancy Appointments

Operational Review

C. London **to £16,000 + exec car**

Our client, is the refining and marketing arm of a major multinational oil company with substantial interests in the U.K.

Our brief is to recruit a young qualified accountant to work within a small but highly professional team responsible for carrying out management reviews, ad hoc investigations and regular financial systems reviews throughout the company's operations. There is only a small element of routine assignments and the vast majority of work involves carrying out major projects as part of a team, or individually.

The position demands that candidates have good inter-personal skills and are keen to work in a commercial and demanding environment.

There is also frequent contact with senior management, often from non-accounting disciplines.

Candidates should ideally have had exposure to computer based financial systems gained within the profession or alternatively through working on similar assignments in either industry or commerce.

The position provides excellent promotional prospects to areas such as line financial management as well as offering a variety of options within other parts of the group's activities in the medium term.

Candidates should contact Charles Austin on 01-242 0965 or write, enclosing a c.v., to 31 Southampton Row, London WC1B 5HY, quoting ref. L2042.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Management Accountant

London Head Office **c£16,000**

Our client Total Oil Marine, is a substantial North Sea operator supplying almost 40% of the UK's gas requirements through the Frigg Field transportation system. Committed to an expanded programme of offshore activity, they are now developing the Alwyn North Field into an important new source of both oil and gas.

The Management Accountant will head up a team of accounting staff responsible for Corporate Management Reporting, and compilation and presentation of budget information. In a highly visible role you will be expected to make a significant contribution to this key area of the Company's financial activities.

Ideally in late twenties/early thirties, you will be a qualified accountant with experience of working in a sophisticated, high spending environment. Ambitious and dedicated, you should combine a creative approach with strong interpersonal skills and proven supervisory ability.

There is an excellent benefits package as you would expect from a major international company, including relocation, as appropriate.

Candidates should initially contact Charles Austin on 01-242 0965 at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY, quoting ref. 2044.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

ACA, ACMA, ACCA, MBA.

Today's toughest challenge.

£20-30,000 + car

As one of our Management Consultants you'll be playing a vital role in industry's response to the challenges of today.

Based in London, you'll be advising some of the country's most successful and innovative private enterprises. It's demanding, creative work. Because you'll be helping them solve tough and complex problems; helping top management implement change and so improve efficiency and profitability.

Work, in fact, which will test your intellect, broaden your experience and quickly develop your business and technical skills.

Rapid expansion means that we now seek graduate Accountants (ACA, ACMA, ACCA) and MBAs, aged 27-35, with line experience of financial management, ideally including treasury. Involvement with financial institutions would be of particular interest. Personal skills, of course, must impress.

Take up the challenge. Send full personal and career details (including daytime telephone number) to Geoffrey Thiel, quoting reference 1476/FT on both envelope and letter.

Management Consultancy with **Deloitte Haskins+Sells**

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

FAST ON YOUR FEET?

ACA/ACMA/ACCA 24-30
neg. to £18,000 + car

Our client based in SURREY is part of a fast-expanding UK MULTINATIONAL LEISURE GROUP with annual turnover in excess of £1,000m. The company needs to ensure that the maximum benefit is derived from its sophisticated management information systems. A young qualified accountant is required ideally with some experience in fast moving consumer goods to become part of a HIGH PROFILE BUSINESS TEAM with aggressive business objectives within a demanding and fast changing commercial environment.

Young men or women with strong personalities and excellent communication skills should apply. In return our client can offer REAL JOB SATISFACTION working in a STIMULATING team environment.

Promotion prospects are extremely good and will be based directly on the PERFORMANCE of the individual. A RELOCATION package is available in relevant circumstances.

Please telephone and send your C.V. to:
GEORGE D. MAXWELL, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct)
01-637 5277 ext 281/282

Accountancy Appointments Europe

Operational Auditor

London base **c£18,500 + car + bens.**

Our client, a prosperous and expanding American multinational is currently looking for a professional to join an established team of young accountants. Reporting to the European Audit Director you will participate in an operational programme for the company's major West European locations, necessitating 50% travel with a return to home base most weekends.

Current activities include financial systems evaluation, controls, operational methods and practices, special projects, investigations and acquisitions work. The group organises regular training and personal development courses which involve US exchange assignments.

A Chartered Accountant, aged 24-28, you should have strong interpersonal skills and possibly experience of working in Europe. A second European language and a general knowledge of financial operations and US accounting practices would be advantageous.

The company, highly rated as a progressive employer, offers an attractive salary, excellent benefits package and generous relocation assistance where necessary.

Prospects for future progression into line management are excellent.

Interested applicants should contact Mark Brewer on 01-242 0965 or write to him at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY, quoting ref. L2046.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Financial Director

North London **£30,000 + Car**

Our client is a highly profitable, fast expanding, nationwide distributor of office supplies and equipment. Buying and selling in this highly competitive market demands close, sensitive, immediately reactive financial reporting and control, and the company now needs a Financial Director who will further refine existing computerised systems and make a major contribution to future company performance and growth strategy.

Aged early 30's upward and probably qualified ACMA, the successful candidate will be very commercially aware and have happy experience of working in a fast-moving environment. Experience could even include a period in sales as well as financial management. It will include successful complete responsibility for an organisation's financial and Secretarial functions.

The position calls for a developed maturity, tact and sensitivity which will help to match the hard-driving commitment of the other Directors. In return, benefits will include personal pension, private medical insurance and, possibly, equity share. Assistance will be given with necessary relocation expenses.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham, B2 5TF, quoting ref. M710.

SH **Stoy Hayward Associates**
MANAGEMENT CONSULTANTS
A member of Horwath & Horwath International

Financial Accountant

to £16,000 plus Bonus **City**

Our client is an expanding and successful firm of US commodity brokers, who, through extensive international representation, trade a wide variety of markets, including the Terminal, Precious Metals, Financial Futures and Money Markets.

This position reports to the *Financial Controller* and assumes responsibility for financial and management reporting, the preparation of statutory accounts and corporate taxation returns. Duties will also include reporting on International branch activities, the production of the monthly US reporting package and the control of a small accounting team.

The successful candidate will be a young ambitious Chartered Accountant, self-motivated and confident with well developed interpersonal and management skills. Experience of computerised systems is essential as is a high level of drive, initiative and enthusiasm to meet the potential challenges that the role presents.

In the first instance please write or telephone Martin Knowles, in the strictest confidence.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TH. TELEPHONE 01-628 7441

Firth Ross Martin
Financial & Professional Selection Consultants

Finance Manager

Wiltshire **c £19,000 + car**

For a young and progressive organisation which is the market leader within its particular field of consumer products. It is backed by a major public company and has an impressive record of growth in sales and profits.

Reporting to the Director of Finance your responsibilities will include financial accounting, cash management and stock control. Accounting systems are computerised and you will be supported by a staff of around 40 people. As a senior member of the financial management team you will be closely involved with top management in the profitable development of the business.

Probably in your late 20's or early 30's, you must be a qualified accountant. Ideally you will have trained in one of the major accounting practices and already be in a line position in industry or commerce. For a man or woman with drive and ability there are excellent prospects for career progression. Fringe benefits include BUPA, and a non contributory pension scheme. Generous relocation expenses are available.

Write in confidence to John Cameron, quoting ref. C411, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Computer Audit Manager

London

up to £20,000 + bonus + car

Our client, the Burton Group, is one of the leading multiple clothing retailers in the UK, represented on the high street by Burton, Top Shop, Dorothy Perkins, Top Man, Evans Collection and Principles.

The Group is also a leader in the development of advanced retail systems utilising computer hardware and software at the forefront of current technology. The Internal Audit and Development Department wishes to augment its team by the appointment of a Computer Audit Manager who will lead, strengthen and develop the computer audit function.

Based in the West End of London, but covering major installations in Leeds, the position is likely to be filled by a qualified accountant who has been educated to degree level and who can demonstrate well developed interpersonal and computer audit skills. Experience will probably have been gained in a prestigious organisation and include knowledge of complex data base systems.

Operating in a progressive environment, the potential for individual growth and development is first rate. You will be expected to make a significant contribution, in terms of business acumen and energy, to the development of the Group's systems.

The rewards package is generous, including an attractive salary, a bonus of up to 35% of salary, a 2.0 litre car, BUPA, staff discount facilities and other major benefits.

A comprehensive relocation package is also available.

Candidates should apply in confidence, enclosing a full CV and quoting reference MCS/5039 to:
Barrie A. Whitaker, Price Waterhouse,
Southwark Towers, 32 London Bridge Street,
London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Accountancy Appointments

General Manager

Law Firm

London

to £45,000

This rapidly expanding firm is based on a city company and commercial practice with major departments in litigation, building and civil engineering law, and commercial property work. It has a substantial and growing international business with offices in Bahrain, Hong Kong and Singapore and a total staff worldwide of 330 with 39 partners. It has other significant departments in intellectual property, employment law, corporate tax and private clients' affairs.

Continuing expansion both in the UK and Overseas has necessitated a review of the partnership, and a reassessment of its management structure, leading to the creation of the position of General Manager. This senior position, equivalent in status to that of partner, will encompass many roles. Initially, responsibilities will include close co-operation with partners in the management of their departments, management of the finance function, control of administration, and fulfilment of the partnership secretary role. Opportunities to become involved in policy determination and the development of business strategy provide the growth potential of the position.

Candidates should be qualified accountants, aged between 35-45, who can demonstrate success in a similar wide-ranging management role in a service industry environment, ideally with experience of introducing computer based systems. Knowledge of a partnership environment and the legal profession would be useful. Leadership ability, drive and commercial awareness will be essential.

Please reply in confidence, giving concise career, salary and personal details to J. J. Cutmore, Executive Selection, quoting Ref. ER774.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Director

SW of London

to £40,000 + Car & Benefits

This rapidly growing Public Company, with subsidiaries and associated companies in the U.K., Europe, West Africa and South-East Asia, provides equipment and specialist technical services to the oil industry. Current turnover is £12 million, which is expected to increase substantially, both by acquisition and development of the Group's existing businesses.

A Financial Director is to be appointed to report to the Group Chief Executive and work closely with other members of the Senior Management team. Responsible for all group accounting and financial control at head office, the Financial Director will be expected to participate actively in the management of the company, providing information and advice from a financial viewpoint.

Candidates should be qualified accountants aged in their late 30's or early 40's with management experience gained in a service industry. A demonstrable record of success in financial control and considerable commercial flair are essential. An outgoing person with developed communication and planning skills, a strong management style, energy and dedication will match the needs of the job.

Please write in confidence giving concise career, salary and personal details, quoting Ref. ER790 to J. J. Cutmore, Executive Selection.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Directors

c£22,000 + Car + Benefits

Our client is a UK-based holding company which deals in a diverse range of specialist equipment and services.

Major reorganisation, designed to streamline production and enhance profitability, has created the need for two further Financial Directors to join their management teams.

Based in the South East and North West of the country, they will be responsible for costing and pricing procedures, financial management accounting and budgetary control. In addition experience of export financing procedures and both financial and factory computer applications are deemed to be important.

Aged 28 - 37, and ideally ACMA's, applicants should have an engineering-related accountancy background and a broad appreciation of systems development. They are looking for incisive and highly motivated professionals with strong interpersonal ability and commercial orientation.

If you meet these exacting requirements, you will enjoy an exceptional salary and benefits package including relocation assistance where appropriate and subsequent participation in a share incentive scheme.

Candidates should write to Don Day FCA, Executive Division, indicating the preferred location, and enclosing a comprehensive c.v., quoting ref. 262, at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership

International Recruitment Consultants

London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

AUDIT MANAGEMENT – ROUTE TO PARTNERSHIP

Insurance **Banking** **Small Business**

Central London

A.C.A.'s 28-35 **£18,000 to £25,000 + Car**

Our client is a major international firm of chartered accountants seeking to recruit a number of sector specialists with audit or line management experience in insurance or banking. In addition general practice managers with small/medium firms of accountants are invited to apply for a number of positions available in the firm's expanding privately owned business department.

With the rapid growth of the practice those joining the firm at manager level have excellent prospects of achieving partnership in the short/medium term.

For more information please contact George Ormrod B.A. (Oxon) or Tim Forster B. Comm on 01-836 9501 or write with your C.V. to Douglas Llambias Associates Limited at our London Office quoting reference number 5351.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS

Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

Associate Director

Finance

W. of London **c.£25K + Car plus**

Our client's Group of Companies is in the Marketing Services Sector of the communications business. Its client base is impressively 'blue chip'. A public flotation, development of international relationships and new, but related business development, are all included in its strategic business plan.

The principals are energetic, hard working and successful entrepreneurs, who have stubbornly maintained their high professional standards despite the profitable growth which has been sustained throughout the decade of the Group's existence. Present turnover is c.£5M.

Professional financial expertise at Board Level will be required in the near future to supplement existing skills. The successful candidate will naturally have the technical expertise and City contacts to develop the finance and administration functions. In addition, the qualified accountant, who is likely to be aged 30 to 40, will play a significant role in the future Commercial development of the business. The salary and benefits package is highly competitive. Participation in the equity is negotiable.

Please write, in confidence, to Peter T. Willingham, attaching sufficient detail to explain why we should meet to discuss the appointment, quoting reference (66) at Spicer and Pegler Associates, Executive Selection, St. Mary Axe, London EC3A 8BJ.

Spicer and Pegler Associates

Management Services

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

ACA for Investment Banking

Our client, a leading US investment bank in the forefront of the international securities industry, has an exceptional opening at its London office for a young qualified ACA.

As a member of the Control Department, you will be responsible for the financial aspects of a major new security operation to be established in early 1986. In close liaison with senior management on both sides of the Atlantic, you will develop and review the bank's rapidly expanding services. An initial training programme is planned in New York.

With a good degree and proven track record, you must be ambitious with an analytical, inquiring approach and genuine management potential.

The salary and benefits package will reflect the importance with which management views this position.

Interested applicants should contact Mark Brewer on 01-242 0965 or write to him, enclosing a comprehensive c.v., at 31 Southampton Row, London WC1B 5HY, quoting ref. 2045.

Michael Page Partnership

International Recruitment Consultants

London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

ACCOUNTANT

Qualified experienced Accountant required for a fast growing Trade Finance subsidiary of a long established diversified group. Experience in International Trade Finance and/or Confirming a definite advantage! Accounts are currently produced manually. Top priority is to transfer accounting and credit control systems on to computer, therefore the person appointed must provide evidence of proven competence with computers including the following functions:

Daily, monthly and annual preparation of accounts

Daily credit control

Produce monthly management accounts with evaluation of results

This is a "hands on" appointment, with the successful applicant working alone until workload determines further recruitment. Reporting will be direct to the Administration Director and there will be an opportunity for some overseas travel.

Send full CV with current salary and availability in confidence to:
The Administration Director, Box A9055, Financial Times
10 Cannon Street, London EC4P 4BY

Systems Development

Financial Services

Central London **c£17,000 + mortgage etc.**

Our client is one of the UK's best known and most influential financial groups. Following a recent reorganisation it seeks a qualified accountant, preferably aged mid/late 20s, to join a newly established multi-discipline team within its largest division.

In this challenging position you will play a key role in developing a number of accounting systems and in devising management information systems for operational management.

This is an exceptional career opportunity in a rapidly changing sector of the market which will provide invaluable experience for future accounting or systems roles.

Salary is negotiable and generous benefits include e non contributory pension and subsidised mortgage.

Contact David Tod BSc FCA, on 01-405 3499 quoting ref: D/84/FF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Finance Manager

C. London **circa £20,000**

Our client, a recently established subsidiary of a major British high technology group, is responsible for the development of new products and the assessment of their commercial viability.

A qualified accountant (aged 25-35) is required to join the Management Team. The wide ranging brief will include responsibility for financial and strategic planning together with the establishment of management information systems to support the business now and in the future.

The position demands an outstanding individual who can combine technical competence with imagination, has well developed commercial instincts and above all a determination to achieve agreed business objectives.

Longer term career prospects are excellent and not necessarily limited to the finance area. Relocation expenses where appropriate will be met.

Contact Patrick Donnelly on 01-222-5169 quoting reference FT/75.

tfi The Finance Index

Financial Recruitment Consultants

11 Palmer Street London SW1H 0AB Tel: 01-222 5169

Financial Controller

Uxbridge, Middx **£17,000 + car**

The UK leader in its service industry is re-structuring its centralised accounting team in readiness for computerisation.

Working closely with the F.D. you will bring the systems on line and play a major role in developing and implementing management and statutory reporting for the group and its subsidiaries.

You should be a qualified accountant, aged 25-35, able to demonstrate your potential for promotion in the medium term future. A good understanding of computer systems is essential and some knowledge of multi-currency accounting and taxation would be useful.

Please telephone James N Denholm FCA on 01 328 9521 or send your detailed career résumé (including current salary and telephone number) to:

Financial Appointments Ltd

Recruitment Consultants

Linburn House, 342 Kilburn High Road, London NW6.

Financial Controller

West London **£20,000 + Car + Benefits**

Miss Selfridge, one of the country's leading young fashion retailers, is a subsidiary of a major UK retailing group, and is entering a period of rapid expansion.

You will take total responsibility for the financial function, leading a well-established team in the provision of a prompt and efficient financial service. Controlling both management and statutory accounts, taxation returns, budgets and profit forecasts, you will also maintain a constant review and update of our financial systems.

Based in our West London office, you will be a qualified accountant with some years' post qualification experience, ideally in a retail environment, and will be familiar with computer based systems.

An attractive salary is supported by an excellent benefits package, which features a car, and good career prospects both within the company and the group.

Please write enclosing a full CV, to: The Personnel Controller, Miss Selfridge Limited, 21-27 Warple Way, Acton, London W3 0RQ.

Miss Selfridge

FINANCIAL CONTROLLER

£16-18,000 **Cambridgeshire**

This small well established and independent high-tech Company (t/o £5 million) requires an energetic and practical Accountant to join its young management team.

Applicants – probably aged about 30 – will be qualified Accountants (ACMA, ACCA) who can demonstrate their skills particularly in the areas of costing and stock control. Experience of purchasing and general administration would be advantageous.

Successful exercise of tight financial controls and the ability to adjust to the requirements of a rapidly changing and expanding technological scene can lead to an early Board appointment.

Applications in confidence to O.E.B. Hughes:

PETER NIGHTINGALE ASSOCIATES LTD.
Specialist Selection Consultants
16 Regency Street, London SW1P 4DD.
Tel: 01-821 6229 (or evenings 089 276 288).

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per single column centimetre plus VAT

Accountancy Appointments

Financial Controller

c£18,000 London WC1

Our client, Wolff Olins, the leading corporate identity and design consultants, wishes to appoint a Financial Controller. This is a new position and the job holder will report to the Finance Director.

The main responsibilities of tha post will be to develop tha company's accounting system using an IBM36, and provide essential project accounting and financial information to the Board.

Candidates should be qualified accountants, preferably in their lata 20s, with soma commercial or industrial experience. They ahould be able to develop computer systems and have had responsibility for a small team. In this business service to tha client and attention to detail is very important. Tha atmosphere however is informal, relaxed and self-disciplining. There are axcellent prospects for tha right candidate.

Tha salary package is around £18,000 which could include a car.

Please write stating how you meet our client's requirements, quoting ref 1417 to:

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MANAGEMENT CONSULTANTS
Anne Knell, Executive Selection Division,
Binder Hamlyn Management Consultants,
8 St. Bride Street, London EC4A 4DA.

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This is an exciting opportunity for a candidate with drive and enthusiasm seeking short term partnership.
Contact **Colin Perkins** or **Jon Varey.**

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£16,000 + Benefits

Our client, a prestigious British Merchant Bank, requires a young, determined candidate to undertake a challenging role within their highly respected Corporate Finance Division. This position represents a fine opportunity for bright individuals who are ultimately seeking a move into Mainstream Corporate Finance.

Candidates should be graduate ACAs with a strong academic background and a minimum of one year's pqe in taxation gained preferably from a medium to large sized firm.

To discuss this exciting appointment please contact:
Timothy Burrage or **Rachel Caine.**

ASSISTANT FINANCIAL CONTROLLER

£14,000 + Substantial Benefits

Our client, a member of The Stock Exchange, requires a recently qualified ACA to strengthen their accounting and reporting functions in a new position created to support the recent and future expansion of their business.

This is an exciting and challenging opportunity for a young accountant who has integrity, versatility, the ability to communicate at all levels and is capable of working under pressure. Experience of computerised accounting systems is essential.

For further details of this position contact **Robert Digby** to arrange an informal discussion.

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

LONRHO Plc

Newly-Qualified Accountant

Attractive benefits package

Applications are invited from newly-qualified Chartered Accountants, who can demonstrate a high level of technical competence, for the position of Assistant Group Accountant at the Headquarters of Lonrho Plc.

Responsibilities will include the analysis and collation of management information, statutory accounts and budgets for the Lonrho Group in addition to various ad hoc exercises.

A knowledge of micro computing is desirable but not essential.

Career opportunities exist for suitable candidates, both in the UK and overseas.

For further informatinn please send career details quoting reference V.292, to:—

The Group Personnel Manager,
LONRHO Plc,
Cheapside House, 138 Cheapside,
London EC2V 6BL

FINANCIAL CONTROLLER circ £16,500 + car

Excellent position offered by this West London company active in the office technical products field (turnover approx £11m) Reporting direct to the MD, applicants must be young, qualified and have the ability to communicate at all levels. Computerised accounting experience is essential. Ref: AT/280.

For further details, phone or write, quoting reference, to:

THE PERSONAL SERVICE
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incorporating Accountancy Recruitment
TELEPHONE 01-439 3387 TELEX 27789

Financial director

Bucks, to £25,000

C&L

For a relatively new division of a soundly based, fast growing, well managed medium sized plc. Tha division which is international in its scope has doubled its turnover in tha past year, in part through acquisitions and now has the right mix of products and technology to take full advantage of a newish market sector which has considerable untapped potential.

Working alongside the divisional MD in a conventional FD rola your first year's priorities will be to see that commercial decisions take full account of their financial implications, deal with growing pains and in particular to get systems, costing and management reporting up to group standards.

Aged from 30 you must have had at least 3 years controllership experience at a divisional level in a manufacturing group.

Résumés including a daytime telephona number to John Robins, Executive Selection Division, Ref. R266.

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FINANCIAL CONTROLLER

London c.£18,000 and benefits

Our client is one of Britain's leading design consultancies with an outstanding record of success and growth. This enviable position has been achieved by professionalism, determination and a fundamental appreciation of their many clients' requirements. Further expansion now calls for the strengthening of the finance team, and a qualified graduate accountant is needed to join one of the rapidly growing divisions of the company. This is a new position, and the successful candidate will report to, and work closely with the divisional M.D. Although a divisional appointment, the Financial Controller will have a strong functional relationship with the Group Financial Controller and there is a clearly defined requirement to be closely involved in overall company financial policy.

Candidates must have a strong sense of commitment, be profit aware and really understand the importance of financial control in the design/construction industry sector. Self-confidence, originality and independence are essential ingredients for survival and success. Real career development prospects exist and an attractive benefits package is for discussion.

Please apply, with detailed career particulars, to:

**Nicholas Potter, quoting reference 199/FT,
Mainstay Management Services Limited,
34 York Street, Twickenham, Middlesex TW1 3LJ.
Tel: 01-891 3301**

MAINSTAY
Management Services

Financial Accounting Manager

Herts. c£17,500 + car

Our client, a profitable and expanding group of companies with a t/o in the region of £30m, is engaged in the manufacture and distribution of high quality materials for interior decoration. Continuing development has created the need to recruit an experienced manager to fulfil a key accounting role. Reporting to the Group Finance Director, this position will assume overall responsibility for the accounts department, comprising a team of over 30 staff.

Preferably a graduate Chartered Accountant, you are unlikely to be aged under 30 and must have at least 3 years' experience of developing a sizeable accounts department and maintaining tight reporting deadlines. Previous computerisation exposure is required as you will be responsible for the day-to-day management of the EDP function and heavily involved in the introduction of new, improved computer systems. Iniöative, self motivaöon and a decisive attitude should be among your personal qualities.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 264, at 31 Southampton Row, London WC1B 5HY.

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London Bristol Birmingham Manchester Leeds Glasgow
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Hoggett Bowers

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For a Young Private Company with PLC potential
Berkshire, from £20,000, + Car

The company, nearly 3 years old, is engaged in residential and commercial property development. It has achieved excellent growth in turnover and profits and a public flotation is planned within 2 to 3 years. The need has now arisen to appoint a person to take responsibility for the financial direction and control of the company and to develop the systems and procedures necessary to maintain momentum in an expanding and ambitious organisation. Candidates, qualified accountants and preferably in their late 20's, should have trained with a major company or firm of accountants and have experience which demonstrates outstanding commercial and antrepreneurial ability. Specific industrial experience is secondary to talent, a forceful personality and evidence of leadership skills required to handle a very large joh within the foreseeable future. Subject to performance, board membership will be offered in 6 months.

Please send comprehensive c.v. quoting Ref: 20288/FT, to H.W. FitzHugh, 01-734 6852, 6th Floor, Sutherland House, 5/6 Argyll Street, LONDON, W1V 1AD.

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at the
EUROPEAN HEADQUARTERS OF A US INTERNATIONAL COMPANY – LUXEMBOURG

These key appointments are with a highly respected US International Company, whose engineered products have established an outstanding international reputation for quality and reliability. Tha company, which has an exceptionally strong financial base and contioues to achieva an enviable growth record, now requires to further strengthen the financial management team within the treasury function of their Europaan haadquarters.

Manager – Banking and Credit Operations

c £26,500, Car
c FBC 2,000,000, Car

Responsibility Is for tha roanagement and control of key areas of the treasury function, including the establishment and monitoring of credit tarms for all commercial transactions in continental Eurnpe, the establishment of supporting credit lines and clearance of datailad documantation. Additional key tasks are tha monitoring of multi-currency rates and treods, cash managemant and flow forecasting, requiring constant communication with the US corporate head office and tha provisioo of specialist advice to European operational units. Candidates in their 30's will be formally qualified in accountancy, bankiog or husiness studies and already successful in this specialist sphere in a coromercial or industrial environroant, oow raady to take on this managarial role, success in which could lead to promotion within 2 years.
Ref: 44248/FT.

Credit Controllers

c £20,000
c FBC 1,500,000

Reporting to the Manager – Banking and Credit Operations, you will be responsible for the detailed control of credit transactions in specific business sectors, involved In all aspects from initial customer contact, through documentary preparation, credit line and debt security vetting and clearance, to final cash collections. In addition you will assist with the preparation of corporate cash and credit management reports and supporting analysis and be extensively involved in planned departmental developments which will further improve operational efficiency. The preferred applicants will be aged under 30, of graduate calibre and experienced in multi-currency credit management, documentary preparation and cash collection related to European industrial trade financing.
Ref: 44249/FT.

The business language within tbe organisation is English but it is essential that all candidates be fluent in French and a working knowledge of German would be a distinct advantaga.

Luxembourg offers a very high standard of living and the semi-rural location is in an area with excellent local ameoities and educational facilities, with a wide variety of desirable accommodation and an attractive relocation package is available.

Local interviews will be orranged.

Male or female candidates should submit a comprehensive CV in English to, or telephooe for a Personal History Form from, A. D. Kelly, Hoggett Bowers plc, 36 High Street, Eton, **WINDSOR**, *Berkshire, SL4 6BD*, Englond. **07535 50851**
International 44 7535 50851.
quoting the approprlate refereoca number.

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Finance Manager

Ohmeda Medical Engineering is a totally integrated business within BOC Health Care, involved in the supply, design, Installation and maintenance of piped medical gas Installations and patient services.

The unit, based at Staveley, Darbyshire, has responsibility for Europe, Africa and the Middle East.

The Finance Manager is one of six Senior Managers who report to the General Manager. He/she has responsibility for the Finance and M.I.S. functions and is supported directly by a Chiaf Accountant, a Management/Financial Accountant and a Computer Manager. In total there are twelve personnel within the department.

A key objective is to improve the financial planning of the business through the better use and development of business systems. This is a highly visible appointment and as a member of the Senior Management Team, the Finance Manager will be expected to participate in the planned developmant of the business.

An IBM System 36 is operational with a totally integrated software system.

The ideal candidate will be a qualified accountant In his/her 30's, possibly with a degree qualification and have accounting experience using standard costing techniques and be currently earning circa £15,000.

He/she will be highly motivated and clearly display the ability to work under pressure.

Experience with computers is essential as is experience of managing staff.

Candidates should send a comprehensive c.v. and details of salary and benefits to:-
Alec Luhaste, Personnel Manager, Ohmeda Medical Engineering, Talford Crescent, Staveley, Chesterfield S43 3PF.

Ohmeda
BOC HealthCare

The Wellcome Trust

Qualified Accountant

Systems Development

The Wellcome Trust is a major grant-giving charity in the field of medical research. Currently it owns the entire share capital of the Wellcome Foundation Limited, an international group of pharmaceutical and chemical companies. The Trust has announced its intention to offer 20% of its share holding for public sala in early 1986 while retaining a strong controlling interest in the Foundation.

We are seeking a qualified Accountant to help in identifying solutions to the challenges resulting from a planned 3-fold increase in our activities. This is an important role in an organisation where excellence is the aim and where the quality of the cootributioo is rewarded.

The immediate tasks will include the development and introduction of an integrated, comprehensive DP-based accounting/information system and the management of a small group of accounting staff.

An attractive package is available to those with the relevant experience and who are currently earning up to £16,000.

Further details and an application form, which must be returned by 11th July, 1985 are available by writing to: Ian Macgregor, FCA Deputy Director — Finance and Administration, The Wellcome Trust, 1 Park Square West, London NW1 4LJ.

Accountancy Appointments

Group and Project Accountant

£16,000 – £20,000+car **Wiltshire**

'A growth phenomenon of the '70's ... accelerating through the '80's

After a decade of unprecedented growth, my client is now firmly established in the front rank of the UK Life Assurance and Financial Services Industry – a position maintained through continued investment of energy and innovative ideas.

Continuing growth and an extensive restructuring programme have created a high profile position within their Management Accounts Division.

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Adaptable, bright and original were some of the adjectives our clients used to describe the person they are seeking and they stressed that the calibre and potential of the person are more important then specific experience of their business sector.

Aged 28-32, a qualified accountant and almost certainly a graduate you will need some staff management experience, preferably in a project capacity, entailing close liaison with senior management and professionals in different disciplines. This should be coupled with at least two years post qualification experience in a leading professional firm or commercial organisation.

In addition to the attractive salary, company car and full relocation benefits, you will be working within an organisation firmly committed to internal promotion and personal career growth.

To apply, please send a brief CV to Paul Carvosso ACA at: Macmillan Davies, Centre Point, New Oxford Street, London WC1A 1AJ, or telephone him on 01-240 6781.

Macmillan Davies

Director – Finance and Administration
Cable and Satellite T.V.

South Wales

To £22,000 + share options

This relatively new venture supplies a range of specialist arts programmes to cable and satellite T.V. Income is derived through the sale of programmes, sponsorship and advertising. Expansion will occur through sales to new media. After an initial pilot project, the company has obtained financial backing from several substantial corporate investors and is poised to develop its activities to the full.

The position carries full responsibility for accounting and EDP systems and has the assistance of three staff. The emphasis will be on the establishment of tight financial controls, costing and tha provision of meaningful management information. You will be expected to deputise for the Managing Director and supervise the company's support and administration functions.

You shoud be a qualified accountant, probably aged in your 30s. Your experience should include leading an accounting team and recent exposure to the less structured, smaller company environment. A real enthusiasm for the arts would enable you to identify with the company's objectives. The personal qualities necessary for success are strong interpersonal skills, professionalism and self motivation. The benefits will include the use of a company car.

Please reply in strictest confidence, giving concise career, personal and salary details, quoting Reference ER792 to Heather Male, Executive Selection.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

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This substantial subsidiary of a US manufacturing company requires a Financial Director to maximise predicted growth and profitability. Working closely with the Managing Director this financial/general management role will exploit developed skills in business and strategic planning, a strong commercial orientation and a background in engineering. An outstanding opportunity for a qualified accountant, 30-40 with previous board level exposure. Ref: GR.

BERKS **c.£25,000 + Car**

PROJECT MGR.

Due to an impressive record of growth and development, our client, a major pharmaceuticals company, requires an exceptional accountant. Responsibilities will embrace the upgrading of accounting and data systems, acquisition studies, strategic financial projections and ad hoc projects. Candidates will possess analytical skills, have a flair for presentation and the ability to develop in an expanding environment. Ref: SW.

BERKS **c.£18,000 + Car**

COMPANY ACCT.

A specialist service company operating within the oil industry seeks an imaginative, accomplished young accountant for a new role generated by recent high growth. The position involves full responsibility for 6 staff providing a full day to day accounting service in a complex contract accounting environment. Candidates should demonstrate the ability to contribute significantly in commercial areas. Ref: GR.

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R-H

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Our Clients are a substantial well established City based Insurance Company specialising in world wide Reinsurance.

They wish to recruit a Chief Accountant who will be responsible to the Financial Controller for the efficient management of the Accounting and Statistical functions, the further development of computer based systems and for the motivation and direction of supporting staff.

Candidates, qualified ACA/ACCA and ideally aged 28-35, should preferably have a background in Insurance, be familiar with statistics and tax, and have a good practical knowledge of the use of computers.

Personal qualities, and the ability to lead and motivate staff, are vital ingredients for this important position which, in addition to the basic salary, will be rewarded with a car and first class medical, pension and life assurance schemes.

Please write with full details of career to date and present salary, quoting reference T3166 and indicating any companies to whom your application should not be forwarded, to J. W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Commercial Accountant

Harlow, Essex **c. £20,000**

We seek a qualified accountant to join our Control and Commercial Services Division.

You will be responsible for the supervision of staff preparing the accounts of BP Shipping Limited and its subsidiaries for BP Group and statutory purposes. You will be expected to advise on and implement new regulations and legislation, and be the centre of technical accounting, audit and tax expertise. Additionally, you will manage tha accounting controls of a newly-installed on-line accounting system.

You will, ideally, be a graduate in your mid-thirties, a chartered or certified accountant, with at least five years' post-qualifying experience in a computerised accounting environment, preferably with a large commercial organisation.

Our excellent benefits package includes a non-contributory pension scheme, generous assistance with relocation expenses, up to five weeks' annual leave and superb sports and social facilities.

Please write or telephone for an application form, quoting reference BPS 7/85, to: Mrs J. Pateman, BP Shipping Limited, BP House, Third Avenue, Harlow, Essex CM19 5AG. Tel: 0279 447616.

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FINANCIAL CONTROLLER

£13,326-£14,358 p.a.

required for City of Bristol Transport Services, to be responsible for an autonomous financial section serving four divisions in a successful transport direct labour organisation.

Based in Bristol, the postholder must be fully conversant with management accounting practice as applied to transport and workshop operations. He/she must be aither a qualified accountant or a cost and management accountant andhave considerable experience in an industrial environment. Knowledge and experience of CIPRA financial accounting practice and computer systems en advantage. The successful candidate must demonstrate the ability to meet the challenge of a growing business.

For further details and an application form telephone Bristol (0272) 266031, ext. 247 or write to the Recruitment and Equal Opportunities Manager, City of Bristol, Council House, College Green, Bristol BS1 5TR, quoting reference TS002/FT.

Applications to be returned by 5 July, 1985.

BRISTOL CITY COUNCIL IS AN EQUAL OPPORTUNITIES EMPLOYER

BRISTOL

Group Finance Director

c.£25,000 plus profit share and car

Our client, based in N.W. Kent, is an engineering and construction group with a turnover exceeding £20m.

They seek a Chartered Accountant, preferably 35-45, with experience of upgrading and operating an accountancy system appropriate to a diverse group of this size. Manufacturing based and contractor based systems experience is required, together with knowledge of cost control, computer based systems, financial policy making and a commitment to the treasury function in group accounting.

The successful candidate will need the strength of personality to take on and develop an existing team, the discipline aod the sense of humour to achieve proper subsidiary reporting whilst maintaining good group relations. Importance is attached to iotegrity, profit orientatioo and the presence required to represent the group externally.

Please write in confideoce, with detailed CV, to S. Holmes-Watkins, quoting reference HM339.

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Chichester House, Chichester Rents
Chancery Lane, Loodon WC2A 1EJ

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c £17,000 + Car + Profit Share

Hoggett Bowers plc is a leading executive recruitment consultancy with offices in many major locations within the United Kingdom. Further expansion of the group requires the recruitment of several high calibre, young financial executives who would like to continue their already successful careers in a dynamic environment. A financial qualification, a sound business sense, and the ability to build long term client relationships are key elements. Additionally, candidates, who will be in their late 20's, must be hard-working, smart, professional, and have a strong desire to be successful. Initial interviews will be held at an office near you.

Male or female candidates should apply with full CV in the first instance to: *R.D. Howgote, Director*. 061-632 3500, *St. John's Court, 78 Gortside Street*, MANCHESTER, *M3 3EL*, quoting reference *27391/FT*.

Management Consultancy

Nottingham **Negotiable salary plus car**

We are the Nottingham based practice of an International firm offering a wide range of consultancy services to industrial, commercial and public authority clients in the Midlands area.

We would like to hear from qualified accountants aged 28 to 40 who have practical experience in industry. commerca or tha profession at management leval, particularly in the following areas:

Financial Planning and Control
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Previous consulting experience, though not esseotial, would be advantageous.

Please write in confidence with full curriculum vitae stating presaot salary and quoting refarence 60 to:

Clifford Bacon, Director,
Pannell Kerr Forster Associates,
Regent House,
Clinton Avenue,
Nottingham NG5 1AZ.

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

FINANCIAL DIRECTOR

Firth Carpets **West Yorkshire**

c£23,000 (inc bonus) + Car

Firth Carpets Ltd has a first class reputation as a successful manufacturer of high quality carpets. Turnover is currently £24m and the company is a major subsidiary of Readicut International PLC.

The position requires a qualified accountant with commercial flair and all round technical skills.

You will presently be a Financial Director/Controller of a manufacturing company (ideally textiles) seeking an opportunity to develop further in a profitable company.

Key areas of involvement are:-

- Policy and decision making at Board level.
- Production of computerised management information to strict reporting deadlines.
- Management and leadership of staff.

An attractive salary and benefits package is offered in addition to relocation expenses where appropriate.

Candidates ideally aged 35 to 45 should apply in the first instance to:-

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Telephone: (0532) 450851

Financial Investigations

Balfour Beatty is a major international construction group with an annual turnover approximately £750m.

An opportunity has arisen to join a small team based at the Group's Head Office near Croydon, which undertakes a wide range of review and investigation assignments both in the UK and overseas. Travel will be up to about 50%.

Applications are invited from Chartered Accountants with at least 2 years post qualification experience. This is a challenging appointment, and the successful applicant must have the ability to deal with all levels of management. Prospects for career advancement within the finance function are excellent.

There is an attractive remuneration package together with a company car, private health insurance, and other benefits. Relocation expenses will be paid where appropriate.

Applicants should send brief career history and personal details for the attention of the Group Personnel Manager, Balfour Beatty Limited, 7 Mayday Road, Thornton Heath, Surrey CR4 7XA.

BB Balfour Beatty

THE INTERNATIONAL ENGINEERING AND CONSTRUCTION GROUP

BUSINESS LAW

The discreet charm of state traders

By A. H. HERMANN, Legal Correspondent

"PUBLIC international law and private law . . . are branches of the same tree. They apply in conformity with the demands of reasonable justice and practical convenience."

One would wish this dictum of Dr Francis Mann* were true. But it is not. The forces to which international contracts are exposed are so violent and contradictory that one can seldom say what is the shape of the tree and of its branches and most of the time one fears that it will be uprooted altogether.

What one can predict almost with certainty is that when there is a conflict between a state trader and a private company, the private company will lose out. This is no small matter at a time when state trading is at home in the greater part of the world and large companies cannot avoid concluding contracts with governments or their agencies. Yet they cannot expect much help from English courts.

While the British Government is defending in the Strasbourg Court of Human Rights the adequacy of compensation paid in connection with the nationalisation of shipyards, the Court of Appeal has shown little understanding for a claim of refund opposed by a confiscatory measure of the Portuguese Government.† And while the British Government has to petition the Supreme Court of the U.S.‡ (in the form of an Amici Curiae brief) to overrule a lower court, which refused to give any weight to British Government decisions compelling the defendant companies to commit acts alleged to contravene U.S. anti-trust law, the Court of Appeal refuses even to allow a request to go out to Portuguese courts to enquire about the motives of the Portuguese government which led to the confiscation.

The case before the Court of Appeal concerned the refusal by the trial judge, Mr Justice Hirst, to issue a Letter of Request to the appropriate judicial authorities in Portugal and to the Federal German Republic. Settebello a Liberian outpost of Thyssen, the West German steel-making group, is suing Banco Totta which has a branch in London, for $25m representing advance instalments with interest, the repayment of which the bank has guaranteed in the event the Portuguese state shipyards' failure to deliver a 320,000 ton oil tanker on time.

The bank refuses to honour the guarantee, relying on a Portuguese decree law, 119/82, which entitled Portuguese companies declared to be in a "critical economic condition" to suspend the rights of their business partners to cancel contracts for non-delivery.

This measure would be questionable in international law, even if it was of general application. However, it clearly is not. It was made 10 days before the delivery term expired and it was never applied to any other company or contract. In reality, it amounts to a unilateral decleration by the Portuguese government that its shipyard need not observe the terms of a particuler contract and can escape the penalty for doing so.

The plaintiffs argued that under the cloak of legislating for public purposes, the decree-law was promulgated in order to serve the particular commercial interests of the shipbuilders and of the Portuguese bank, both of whom were wholly-owned by the Portuguese state. To prove this, they asked the English court to request Portuguese courts for assistance. The Portuguese courts were to be asked to examine witnesses including Dr Curtes Rosa, the shipbuilder's lawyer, who prepared the first draft of the decree-law and two ministers.

Mr Justice Hirst thought that the decision of the House of Lords in *Buttes Gas v Hammer* (1982) AC 888, effectively rendered such an enquiry into motives of a foreign government inadmissable. He also concluded that "if it issued the Letters of Request (the court) would be entering into a sphere of the very highest delicacy and sensitivity involving the legislative acts of a friendly foreign state" and that this would not be proper for an English court to do. The reference to *Buttes Gas* is curious since that decision concerned a territorial dispute between two foreign states and is therefore hardly applicable to a state's reneging on its commercial contract with a foreign company.

As to the impropriety of enquiring into a foreign government's motives, Lord Wilberforce said in *I Congreso del Partido*, "If immunity were to be granted the moment that any decision taken by the trading state was shown to be not commercially, but politically inspired, the 'restrictive' theory of sovereign immunity would almost cease to have any content and trading relations as to state-owned ships would become impossible. It is precisely to protect private traders against politically inspired *breaches* or *wrongs* that the restrictive theory allows states to be brought before a muncipal court." Lord Wilberforce, it seems, far from hesitating to enquire into the motives of a foreign trading state, accepts that it can be brought before a municipal court.

This argument is sometimes countered by the assertion that the foreign trading agencies are separate corporations, subject to governmental measures as any others. However, leading authorities now believe that the presumption of a separate and independent existence of state trading agencies should be maintained only in the face of general measures motivated by general considerations and not by considerations relating primarily and mainly to a contract which the government wishes to avoid. Such specific measures should therefore not be allowed to trigger a *force majeure* clause.

Sir John Donaldson, the Master of the Rolls, agreed with the trial judge that the application for the Letters of Request should be rejected in the exercise of judicial discretion. Whatever was the precise nature of the test to be applied in deciding whether the English courts should give effect to the Portuguesa decree, he said, it was apparent that effect should be given to it unless there has been some degree of failure to comply with the standards accepted amongst civilised nations, so that the law can be characterised as abhorrent in its nature, or there has been some degree of "iniquity" on the part of the Government or Ministers of the Portuguese State.

Any request to Portuguese courts to investigate such an allegation, would be, Sir John thought, deeply embarrassing and indeed offensive to the Portuguese courts: ". . . judicial comity, or good neighbourliness between the judges of different friendly foreign states, requires that they refrain from making such requests of each other."

The other two appeal judges agreed, though Lord Justice Neill would say nothing as to whether evidence from other sources might or might not be relevant or admissable at the trial to support the plaintiff's contention that the decree was devised by the Portuguese Government at the instigation of the defendants with the sole or primary purpose of depriving the plaintiffs of their right of cancellation of the shipbuilding contract.

This is an improvement on Mr Justice Hirst, whose first ground of refusal was thet it was very doubtful whether the evidence which the plaintiffs were seeking to obtain was relevant to any issue which the court would have to try. In his view, English courts would not recognise foreign confiscatory laws discriminatory on grounds of race, religion or the like. He did not include commercial grounds in his list, yet most of the problems faced by businessmen stem from contracts which a state trader abandoned because the market went against him or because he could not deliver what he promised, as in this case.

The Court of Appeal judgment stands on extremely weak legs in as far as it suggests that motives of a foreign government must not be questioned. This is contrary to the practice of the U.S. and Switzerland, for example, where acts of State are respected if motivated by general public interest but not if their purpose is to salvage a particular business deal. Even English statute law excludes sovereign immunity in such a case.

As to comity which prevents the *Court of Appeal from* asking embarrassing questions: first, it does not seem to be embarrassed to ask delicate questions of British Ministers when reviewing their decisions, and second, comity is not part of international law as was most recently confirmed by the U.S. Court of Appeals, DC, in the Laker case. By contrast, it is a rule of international law that a *discriminatory confiscation* and any confiscation without adequate compensation is wrong.

But, above all, international trade stands and falls with the rule that agreements must be observed and courts which believe that judicial niceties are to be given greater weight, will be avoided.

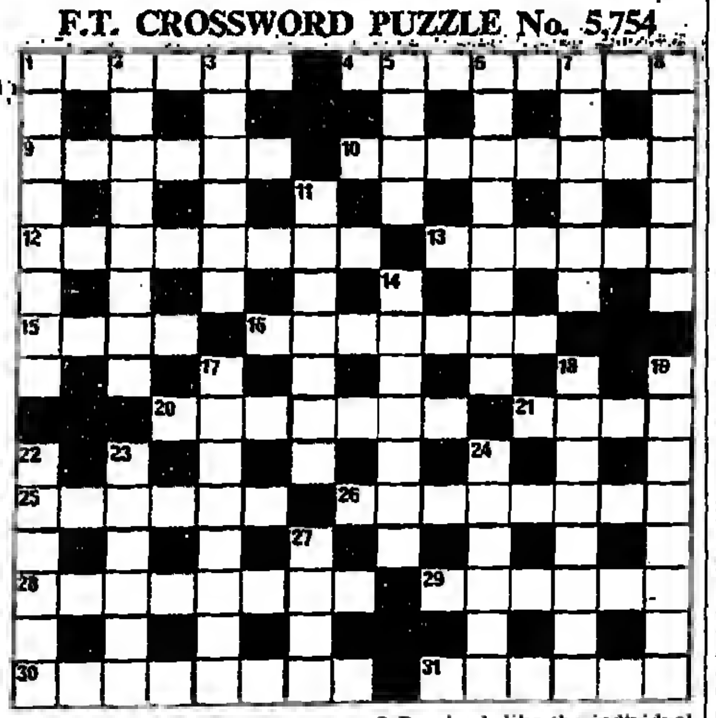
** Studies in International Law, p.239.*

† Settebello Ltd. v Banco Totta and Acores. F.T. Commercial Law reports June 21, 1985, see also this column August 9, 1984, and Editorial comment August 10, 1984.

‡ In Matsushita Electric Industrial Co. Ltd. et al v. Zenith Radio Corp. and National Union Electric Corp. June 15, 1985, No. 83=2004.

§ See, for example, Professor H. Bockstiegel, at the 60th Anniversary Conference of the International Chamber of Commerce.

F.T. CROSSWORD PUZZLE No. 5,754



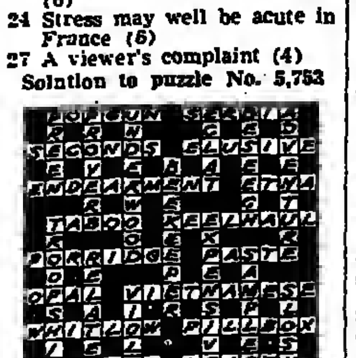
ACROSS

1 The odd trip is taken to show enterprise (6)
4 Bearing the cost of transportation (8)
9 Firm base? (6)
10 Morally corrupt, but accepting a little publicity right enough (8)
12 Trinkets made by manual workers (8)
13 Dope may be found in soup (6)
15 It's almost dark—almost (4)
16 Cook about 50, plainly on a good diet (7)
20 Hair-do for the stony? (7)
21 Beautiful, though quite thin (4)
25 Right and wrong about top-grade fruit (6)
26 Training for work in valuation (8)
28 One maybe meant it to be confidential (8)
29 Accountant going into lounge to add up the figures again (6)
30 The foreigner's street guide (8)
31 Very hard, knowing about a certain letter (6)

DOWN

1 Personal cover—cost arranged with top man (8)
2 Break in a sort of benefit (8)
3 Urge showing it in trendy establishment (6)
5 A page no longer gets a tip (4)
6 Resolved, like the individual in communist prison (8)
7 An aged eccentric wanted various things to be discussed (6)
8 Certain evergreen trees can be a source of food (8)
11 A country music man (7)
14 A scamp learning to beg (7)
17 Those in control remain by arrangement after church (8)
18 Sue's delayed incorporating it with private American backing (8)
19 Bank having taken in little money just lately (8)
22 Followers' aims (6)
23 "The English . . . ending in July, to recommence in August." Byron (Don Juan) (6)
24 Stress may well be acute in France (6)
27 A viewer's complaint (4)

Solution to puzzle No. 5,753



APPOINTMENTS

New president at Wilkinson Sword

Mr Alan Fletcher has become president and managing director of WILKINSON SWORD consumer division of Allegheny International. Mr Fletcher succeeds Mr John Bloxeidge, who has been appointed managing director of Imperial Tobacco. Mr Fletcher joined Wilkinson Sword in 1982 as managing director of its UK operations. Early in 1984 he became director of manufacturing and technology for the international group. He was subsequently appointed to the board of the international group in September 1984.

★

THE WALTER KIDDE COMPANY has appointed Mr Alex Woodcock as director of industrial sales and marketing. He was a regional director with Thorn EMI Protech and systems director with Thorn EMI Fire Appliances.

★

Mr Chris North has become a director of NATIONAL CARRIERS CONTRACT SERVICES, National Freight Consortium's specialist contract distribution company. He has been a sales executive with NCCS for three years. His predecessor as director in charge of the Woolworth stores contract was Mr Jim Cornwell, who has retired.

★

THE ASSOCIATION OF INSURANCE AND RISK MANAGERS IN INDUSTRY AND COMMERCE has appointed Mr Norman M. Bennet (Smiths Industries) as chairman and Mr Alex (W. A.) Chrzanowski (Rowntree Mackintosh), as deputy chairman and chief executive.

★

Mr F. A. P. Hall, deputy chairman and chief executive, and Mr M. N. Cox, group financial director, of Ofrex Group, have joined the board of LAWTONS, the packaging and fastening subsidiary. Mr Hall also joins the board of Ricas. Mr S. J. Loffler, group marketing director, joins the board of Fordigraph Consolidated Pty, the group's Australian subsidiary. Further Ofrex Group subsidiary company appointments have also been made: Mr S. S. McKay, managing director of Eastlight, has been appointed to the board of Ofrex Business Machines. Mr D. R. Llewellyn, director/general manager of the Cumberland Pencil company, is additionally appointed managing director of Howard Wall. Mr James Cameron, director/general manager of Rexel Engineering, is appointed to the board of Rexel.

★

Mr Ronald Barnes, chief executive of Lombard North Central, the finance house subsidiary of National Westminster Bank, has been elected chairman for the next two years of EUROFINAS, the European Federation of Finance Houses Associations. Mr Barnes is a former chairman of the UK Finance Houses Association.

FISONS has appointed Mr P. V. M. Egan, a main board director of Unilever, a non-executive director from July 1.

★

ROBERT CUBITT HOLDINGS has made the following appointments from July 1: Mr D. W. F. Falers, financial director and company secretary; Mr D. C. Norman, director with special responsibility for contracts; Mr J. Couzens, director with special responsibility for design and build; Mr B. M. Rogers, director with special responsibility for plant hire and transport; and Mr P. R. Copping, executive director. The following have been appointed directors of subsidiary companies: Mr P. J. Barker, A. F. Knights (Builders), Debenham; Mr G. A. Pearson, A. F. Knights (Electrical), Diss; and Mr R. J. Tarling, Clement Theobald & Son, Long Melford. At the same time Mr P. T. Tarling becomes an executive director of G. C. Hammond at Clacton-on-Sea.

★

Mrs Susan Benjamin of Halcyon Days has ben elected as chairman of the BOND STREET ASSOCIATION. Mr Paul Clarke of Aspreys is now vice-chairman and Mr Trevor Turner continues as executive officer.

★

Mr Alan Pitcher has been appointed managing director of EDWARD ROSE (BIRMINGHAM), one of the principal companies within the Banro Industries group. Mr Pitcher has been a member of the main board of Banro Industries since January 1979.

★

THOMAS BORTHWICK AND SONS has elected to its board as a non-executive director, Mr Ronald G. Lagden, who recently retired as a vice-president of the Quaker Oats Company of Chicago, and as president of its European operations.

★

SVENSKA INTERNATIONAL LIMITED, the international merchant banking arm of the Svenska Handelsbanken Group, has made two board appointments: Mr Hans-Eric Von der Graeben is appointed executive director, marketing. He joins from Nordic American Banking Corporation in New York, where he was senior vice-president and head of the Nordic banking group. Mr Michael Turner, previously associate director within the banking services division, is appointed executive director.

★

Mr R. H. Lawrence, deputy general manager, will retire from the service of THE VICTORY REINSURANCE GROUP on June 30. The following appointments are effective from July 1: Mr J. S. Belcher, deputy general manager (operations), Mr D. W. Darby, deputy general manager (international) and Mr P. N. Downing, deputy general manager (finance) and actuary.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd.

Perpetual Unit Trust Mngmt.

Prolific Unit Trusts

Providence Capitol Fd. Mgrs. Ltd.

Prudential Unit Trust Mngrs Ltd.

Quilter Management Co. Ltd.

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt.

Royal Life Fd. Mgmt. Ltd.

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd.

S&G Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Life Investments

Scottish Mutual Investment Managers Ltd.

Scottish Provident Inv. Mgt. Ltd.

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mgmt. Ltd.

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Management Ltd.

Sun Life Trust Mgmt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.

TSB Unit Trusts

3i & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd.

Temple Bar Unit Trust Mgrs Ltd

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd.

Wardley Unit Trust Managers Ltd

Waverley Asset Management Ltd

WestAcre Unit Trust Managers Limited

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd.

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Ambassador Life Ass. Co. Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd

Canada Life Group

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insur/Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Insurance Ltd

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance P.L.C.

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd

Irish Life Assurance Co. PLC

The LAS Group

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (U.A.)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd.

Liberty Life Assurance Co Ltd

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'dom & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life

London & Manchester Group

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Assc. Co. Ltd.

Provident Life Assoc of London Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg
World Fund NAV ... $11.15

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd. ... $12.71 +0.02
Inv. Adv.: M & G Inv. Mngt. Ltd., London

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg
Advanced Tech ... $8.96 +0.07
Dynamic Gwth Fd. ... $8.10 +0.06

Money Market Trust Funds

	Gross	Net	Cr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	12.2	—	—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	12.56	9.39	13.88	6mth
7-day Fnd	12.61	9.47	14.00	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	12.25	9.16	13.52	6-Mth
7-day Fund	12.28	9.18	13.54	6-Mth
Dollar	6.50	—	—	6-Mth
Money Mngt. Acct.	12.00	—	—	3-Mth

Money Market Bank Accounts

	Gross	Net	Cr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
Full Service Cur Acc.	12.25	8.75	13.09	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc.	12.375	9.25	13.87	Qtr
Mth. Int. Chq.	12.25	9.16	13.90	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH 01-628 8060				
Cheque Acc.	11.50	8.59	12.77	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	12.00	8.875	13.29	Qtr
Britannia Investment Services Ltd. 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	12.25	9.16	13.6444	Mth

Charterhouse Japhet plc

credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ■ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase.

OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	16	Midland Bk.	30
BAT	32	NEI	8
BOC Grp.	25	Nat West Bk.	60
BSR	16	P & O Dfd	36
BTR	52	Plessey	17
Babcock	14	Polly Peck	26
Barclays	48	Racal Elect.	18
Beecham	32	RHM	11
Blue Circle	45	Rank Org Ord	32
Boots	18	Reed Intnl	58
Bowaters	20	Sears	8
Brit Aerospace	35	TI	28
Brit. Telecom	11	Tesco	20
Brown (J.)	3	Thorn EMI	35
Burton Ord	39	Trust Houses	13
Cadburys	14	Turner Newall	18
Comm Union	19	Unilever	85
Courtaulds	12½	Vickers	19
Debenhams	17½	**Property**	
Distillers	28	Brit Land	12
Dunlop	6	Cap Counties	18
FNFC	8½	Land Secs	25
Gen Accident	45	MEPC	28
Gen Electric	17	Peachey	22
Glaxo	85	Samuel Props	14
Grand Met	25	**Oils**	
GUS 'A'	60	Brit. Oil & Min.	4
Guardian	60	Brit Petroleum	42
GKN	17	Burmah Oil	18
Hanson Tst.	17½	Charterhall	6
Hawker Sidd.	38	Premier	5
Hse of Fraser	30	Shell	60
ICI	60	Tricentrol	18
'Imps'	18	Ultramar	19
Jaguar	28	**Mines**	
Ladbroke	24		
Legal & Gen	58	Charter Cons.	18
Lex Service	28	Cons Gold	44
Lloyds Bank	45	Lonrho	14
Lucas Inds	25		
Marks & Spencer	11	Rio T Zinc	56

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Cominco cuts production of British Columbian zinc

BY BERNARD SIMON IN TORONTO

COMINCO, the Canadian-based zinc producer, is to close its Sullivan lead and zinc mine in south east British Columbia for the month of August and cut production of a nearby smelter by 10 per cent until the end of the year.

The company said the cutbacks were prompted by weak zinc prices and the need to bring zinc inventories into line with demand. According to Cominco: "The oversupply in zinc metal is nowhere near a disaster, but it's the last 2-4 per cent that makes the price." He said that zinc consumption is holding up "reasonably well."

The Sullivan mine produced a record 187,000 tonnes of zinc and 194,000 tonnes of lead concentrate last year. Output of refined zinc at the Trail smelter will be reduced by about 15,000 tonnes for the rest of the year. Cominco said that "the cutbacks may be extended further if market conditions warrant it."

Earlier this year the company had hoped for a revival in metal prices based on a declining U.S. dollar. It returned to profit in 1984 after almost two years of losses, but suffered a C$10m loss, before extraordinary items, in the first three months of 1985, due largely to weak prices for zinc, lead, silver and gold.

Our Commodities Editor writes: Zinc values jumped sharply on the London Metal Exchange yesterday following news of the Cominco cutback, and an additional announcement that by the Spanish zinc producer, Asturiana that it was also reducing production.

Asturiana said it planned to cut output of refined metal by 3,000 tonnes a month and concentrates by 15,000 tonnes annually. These moves to cut production come at a time when the LME zinc market is already suffering from a shortage of immediate supplies that has forced the cash price to a substantial premium over the three months quotation.

The gap widened further again yesterday with standard grade cash zinc jumping by £31 to £617 a tonne while the three months quotation gained £12 to £591.5. During the past two months zinc producers have been forced to cut their selling prices both in Europe and North America as a result of disappointing demand leading to a build up of stocks.

Traders believe producers have decided that it is pointless to cut prices any further and favour instead reducing production to restore the supply-demand balance. Other producers may well, therefore, follow the lead set by Cominco and Asturiana.

In contrast to the zinc market, aluminium prices rose in response to news that one of the leading U.S. producers, Reynolds Metals, is to cut output. Reynolds said it planned to idle 49,000 short tons of production capacity temporarily and lay off 250 workers. It said a 25,000 tons potline at its Troutdale, Oregon, plant and a 24,000 tons potline in Longview, Washington, would halt production this weekend.

Following this latest cut, Reynolds said it would be operating at only 65 per cent of its total primary aluminium capacity. It did not know how long the production cuts would be in effect.

The market had opened on a weaker note reacting to a report that Venezuela is increasing the capacity of its state-owned aluminium smelter by 30,000 tonnes to 310,000 tonnes a year. The Reynolds announcement only briefly halted the downward trend, which accelerated again when the three months quotation fell below £800 a tonne. It closed at £797.25 a tonne, £12.5 lower on the day-ends.

MMB producer payments ahead

BY JAMES McDONALD

IN SPITE of difficulties created by EEC quotas to reduce production, the Milk Marketing Board has paid milk producers a slightly higher price for the year to end-March 1985 than in the previous year.

Dairy Crest Foods, the commercial arm of the board, also increased its net trading profit, before interest payments, to £33m from £21m in 1983-84.

Sir Stephen Roberts, chairman of the MMB, said yesterday that he hoped to further increase the price paid to milk producers during the current year. With a bonus announced yesterday, the final price paid to the average wholesale producer last year—before deduction of capital contributions or co-responsibility levy — was 15.133p per litre, or 0.086p per litre more than in 1983-84.

Sir Stephen, who was introducing a preliminary report on the Board's financial year, was optimistic that a better milk price for producers can be achieved this year. Prospects for the manufacturing sector were improving and the Board hopes to increase payments to farmers by between 0.6p and 0.7p per litre.

As a result of the quotas and last year's summer drought, total milk supplies in England and Wales fell by 7.4 per cent which meant there was 12.6 per cent less milk available for manufacture generally. Dairy Crest had to deal with a drop in throughput of 13.8 per cent, and of about 20 per cent in the case of its butter and skimmed milk production, said Sir Stephen. This had a "drastic effect" on plant utilisation and plant profitability.

Sharp fall in Brazil orange juice price

By Andrew Gowers

BRAZIL'S foreign trade authority, CACEX, has signalled a sharp cut in its minimum export price for orange juice from $1,800 a tonne to $1,400 fob Santos.

The reduction, which follows the slide in orange juice prices in the U.S. over the past few months, is designed to reassert Brazil's stake in the locrative U.S. market by matching some competitors' quotations.

Traders in Sao Paulo, who were informed of the cut on Tuesday, said it should prove more than adequate to bolster Brazil's position. "This is a step ahead of the market," said one.

Prices have been slipping over the last few months following the severe frost in Florida the winter before last, which caused orange juice to soar in value in 1984. Brazil's orange juice exports were worth an estimated $1.2bn last year, making it the country's third largest export crop after coffee and the soya bean complex.

U.S. crude oil imports fall to 2.7m barrels

By Nancy Dunne

U.S. crude oil imports dropped last week to 2.7m barrels from the unusually high levels of the previous week, according to the American Petroleum Institute.

The U.S. last week imported 1.6m barrels of product oils, bringing the petroleum import total to 4.3m last week, compared with 4.4m in the previous week for crude oil imports alone.

Crude oil stocks dropped during the week to almost 350m barrels down almost 3m barrels from the previous year at this time. Distillate stocks were also down from 1984, estimated at 108.5m barrels, 2m below last year.

The API reported 215.4m barrels of petrol stocks more than 37m barrels behind the previous year.

Andrew Glover in Sao Paulo on the penalties of over production

Sour mood at Sugar conference

"I'M afraid sugar is dying as an international commodity. It's not going to recover its lustre, and its certainly not going to regain its place as an engine of growth for developing countries."

These stark words, from a western agriculture official in Brazil, epitomise the glum and apparently helpless mood at this week's international sugar symposium in Sao Paulo.

The conference, organised by the Brazilian sugar co-operative Copersucar, has brought together representatives from all the major producing countries, traders and commodity analysts to take stock of an increasingly familiar and depressing picture in the world sugar market: prices at an all-time low in real terms, record surplus stocks, and little hope of achieving a better balance between supply and demand.

In the process, they have revealed their incapacity to do much about it, in a market which appears to typify what can happen when protectionist farm policies all over the world collide.

The free market on which producers in a number of countries depend has been reduced to a marginal role in the face of inward-looking agricultural programmes. Many believe that the crisis is no longer of the normal cyclical kind but is structural.

Both the U.S. and the EEC were in the dock again this week, and each accused the other of being the villain of the piece. The U.S. has reduced quotes under which Third World producers can export sugar to America from more than 5m tonnes a decade ago to well below 2m tonnes now. The Common Market, meanwhile, has dramatically boosted its dumped exports, consistently selling more than 4m tonnes annually over the past five years.

But as Mr Simon Harris, group economist for the commodity company S & W Berisford pointed out it is not quite fair to lay all the blame at the door of the Americans and Europeans. Protective sugar regimes, boosting production through artificially inflated prices and keeping down imports through tariffs, quotas, or other restrictions, are a fact everywhere.

Most governments realise that the only realistic way out of the free-for-all is to find some way of putting a cap on production. The EEC has cuts its exports by 20 per cent in line with the shrinking market from their peak reached in the 1980s. More recently Brazil, Argentina and the Philippines have vowed to limit their output, but still surplus production remains stubbornly high.

Use of sugar to produce ethanol for fuel, an outlet pioneered by Brazil and the main subject of the conference, was seized on by some government representatives as a good idea, but it will probably not be the saving of the world sugar industry.

Even according to one of the more optimistic speakers, Mr Rodney Goodwin of brokers C. Czarnikow, production in 1984-85 will total about 99.6m tonnes, while consumption in calendar 1985 will be no more than 96.3m tonnes—and this after more than three years of prices well below production costs.

A less optimistic view came from Herr Helmut Ahlfeld, head of the West German sugar forecasting company, F. O. Licht. "I think we all have to go and shoot ourselves," he commented.

There was no evidence at this week's symposium of any change in the key influences on the market:

● Another round of negotiations on a new International Sugar Agreement is further away than ever. Mr William Miller, executive director of the International Sugar Organisation, who is soon to retire, said that an effective agreement could only be negotiated when the major exporters "are more willing to subordinate their perceived self interest, mainly in the form of anticipated market shares, to the intended result."

● The EEC is unlikely to change production quota arrangements under its sugar regime, which is due to be renewed for another five-year term in 1986. Mr John Maddison, a European Commission sugar official, indicated that Brussels would propose leaving the regime largely intact when negotiations on it start later this year.

However yesterday's decision by the EEC to withdraw temporarily from the market confirms that the Community is seriously worried by the situation.

● Cuba intends to go on seeking an increase in its own production. Sr Alberto Betancourt Roa, Havana's Vice Minister for Foreign Trade, told the conference that this would have no effect on the free market as all the extra output would go to Soviet bloc countries at prices six to eight times the world level.

● There is little chance of an increase in U.S. import quotas, which have been reduced owing to rising production of alternative sweeteners to sugar—in particular high-fructose corn syrup (HFCS) consumption of which has risen by 2.3m tonnes over the last five years, while sugar consumption has fallen by about the same amount.

And on the subject of alternatives to sugar, a New York broker, Mr William Cromarty of Sparks Commodities, delivered one of the biggest blows to delegates' morale when he spoke of the tremendous potential of the new artificial sweetener Aspartame, which has a sweetening power about 180 times that of sugar.

Indonesia ignores coffee pact threat

JAKARTA — Indonesia will continue coffee exports to countries outside the International Coffee Organisation (ICO) despite an ICO threat to impose sanctions for violating its rules, according to the trade ministry.

The ICO is investigating allegations that Indonesia has sold 1.6m 60-kilo sacks of coffee to non-members at prices lower than allowed by the ICO quota, and it may take action at a meeting in London next month.

The trade ministry said Indonesia will comply with an ICO ruling that export prices to non-ICO countries cannot be lower than those established under the quota.

A ministry team will work with the Association of Coffee Exporters (ACE) to study the allegations.

Indonesia's total coffee exports in the 1984-85 coffee year, which began in October, will remain at the 150,000 tonnes allowed under the quota, the ACE said.

Exports to ICO countries in the first four months of 1985 reached 96,000 tonnes against 84,000 in the same 1984 period, but no comparable figures for non-members are available.

Indonesia exported 127,000 tonnes of coffee to non-member countries in 1983-84. Reuter.

India tea talks with Sri Lanka

NEW DELHI—India and Sri Lanka plan to seek a consensus on ways to halt a downward trend in world tea prices at a five-day meeting of tea producers starting in Rome on July 1, the Commerce Ministry said.

The two nations had discussed measures to halt the fall in prices at a meeting here last week, but gave no details."

LONDON MARKETS

BASE METALS

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	774-6	—14.5	783/782.5
3 months	787-.5	—12.5	808/793.5

Official closing (am): Cash 782-.5 (787-.5), three months 804-5 (809-.5), settlement 782.5 (787.5). Final Kerb close: 794-94.5. Turnover: 27,400 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/Low
Cash	1096-7	—5	1100/1096
Three m'nths	1117-.5	—5	1125/1111

Official closing (am): Cash 1099-100 (1098.5-9.0), three months 1119-7 (1113.5-4.5), settlement 1100 (1199). Final Kerb close: 1110-11.

Cathodes			
Cash	1082.5	—5.5	—
Three m'nths	1115.5-4	—5.5	—

Official closing (am): Cash 1085-6 (1083-6), three months 1104-7 (1102-4), settlement 1088 (1186). Turnover: 12,950 tonnes. U.S. Producer prices 65.50-70 cents per pound.

LEAD

	Unofficial close p.m. £ per tonne	+ or —	High/low
Cash	303.3-4.5	—3.35	304
3 months	361.3.2	—1.3	304-301

Official closing (am): Cash 304-5 (306-7), three months 302.5-3 (303-5), settlement 305 (307). Final Kerb close: 301-2. Turnover: 5,700 tonnes. U.S. Spot: 19-21 cents per pound.

NICKEL

	Unofficial close p.m. £ per tonne	+ or —	High/low
Cash	4240-3	—33	4280
3 months	4200-5	—53	4250 4170

Official closing (am): Cash 4275-6 (4300-1), three months 4245-50 (4268-70), settlement 4276 (4301). Final Kerb close: 4175-80. Turnover: 1,216 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High low for day
Cash	10300-50	+463	10250
3 months	9520 50	+8.5	—

Official closing (am): Cash 10070-80 (9840-50), three months 9525-35 (9510-5), settlement 10080 (9850).

Standard			
Cash	10300-50	+435	10300-50
3 months	9515 20	—2.5	9523-9500

Official closing (am): Cash 10070-90 (9840-50), three months 9525-30 (9510-1), settlement 10080 (9850). Final Kerb close: suspended. Turnover: 2,405 tonnes. Straits tin M$30.03 (26.92) kilo.

ZINC

	Unofficial close p.m. £ per tonne	+ or —	High/low
Cash	618 a	+31	—
3 months	501-2	+13	595-588

Official closing (am): Cash 605-7 (572-4), three months 592.5-3 (572-3), settlement 607 (574). Final Kerb close: 587-8. Turnover: 14,275 tonnes. U.S. Prime Western: 44-45.50 cents per pound.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

METALS	June 26 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	£1030/060	......	£1100/150
Copper			
Cash h Grade	£1098.5	—3	£1178.5
3 mths	£1118.75	—3.5	£1178.5
Gold troy oz	$317.25	+0.75	$316.5
Lead Cash	£304	—3.25	£295.5
3 mths	£301.75	—1.5	£301.5
Nickel			
Free Mkt	268/280c	......	250/280c
Palladium oz	$98.75	+0.25	$99.00
Platinum oz	$268.60	+0.20	$265.75
Quicksilvert	$286/295	......	$280/288
Silver troy oz	475.35p	—2.0	477.80p
3 mths	489.45p	—1.95	499.80p
Tin cash	£10,325	+435	£9520
3 mths	£9,517.5	—5	£9585
Tungsten	$75.74	......	$79.03
Wolfram 22.04lb	$56/60	......	$63/66
Zinc	£617	+31	£612.5
3 mths	£591.5	+12	£619.5
Producers	$880	......	$850/880

OILS	June 26 1985	+ or —	Month ago
Coconut (Phil)	$565v	......	$640
Palm Malayan	$550u	—5	$585
SEEDS			
Copra Phil	$355y	......	$390
Soyabean (U.S.)	‡	......	$251.2
GRAINS			
Barley Fut. Sept	£96.70	—0.15	£98.60
Maize	£146.50	......	£149.50
Wheat Fut Sept	£97.65	—0.15	£99.10
No. 2 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. Sept.	£1766	+6.5	£1774.5
Coffee Ft. Sept.	£1977.5	—16	£2068
Cotton A Index	68.60c	......	64.30c
Gas Oil Aug.	$219.75	—0.5	$216.5
Rubber (kilo)	66p	......	64p
Sugar (raw)	$86vu	......	$96
Wooltops 64s	457pkilo	......	477pkilo

‡ Unquoted. a Aug. v June-July. w Sept. y July. z July-Aug. † Per 76 lb flask. c Cents per pound.

GOLD

Gold rose $¾ to $317-317½ on the London bullion market yesterday. It opened at $315¾-316¼, near the day's low of $315½-315¾, and was fixed at $316½ in the morning and $316¾ in the afternoon. The metal touched a peak of $317½-318. Trading was quiet, with the entry of New York providing no fresh incentive, although the dollar's pinned precious metal prices.

GOLD BULLION (fine ounce) June 26

Close	$317-317½	(£206-246½)
Opening	$315¾-315¼	(£245¼-245¾)
M'n'g fix.	$316.65	(£203.677)
Aft'n'n fix.	$316.75	(£244.569)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$526 525¾	(£250¾-251¼)
½ Krug.	$168¼-169	(£129¼-135½)
¼ Krug.	$83¾-86½	(£66¼-65¾)
1/10 Krug.	$44¾ 33½	(£26¾-27½)
Mapleleaf	$327¼ 308	(£252½-255)
New Sov.	$75¼ 76	(£58-58¾)
½New Sov	$45 45¾	(£34¾ 35¼)
Old Sov.	$75½-79	(£56-60¼)
$20 Eagle	$465 480	(£347½ 378)
Noble Plat	$275¾-279	(£214¼ 217)

SILVER

Silver was fixed 2p an ounce lower for spot delivery in the London bullion market yesterday at 475.35p. U.S. cent equivalents of the fixing levels were: spot 612c, down 2.8c; three-month 623.35c, down 2.9c; six-month 636.1c, down 2.5c; and 12-month 663.5c, down 2.3c. The metal opened at 476-479p (613-616c) and closed at 474½-477½p (614-617c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	475.35p	—2.00	476.75p	—0.5
3 months	489.45p	—1.95	490.75p	+1.5
6 months	503.55p	—1.90	—	—
12months	531.00p	—1.45	—	—

LME—Turnover: 270 (36) lots of 10,000 oz.

Cash high/low 472.5; three months high 491.5, low 488, final kerb 488.90.

FREIGHT FUTURES

After falling during the morning, nearby October and January found buying support, rallying during the afternoon on local short-covering. The rest of the market drifted on light fresh selling. The Baltic Freight Index was 890, down 1.

	Close	High/Low	Prev.
July	867/868	867/866	865/870
Oct.	888/891	890/886	889/888.5
Jan.	888/890	/890	886/889
April	916/000	020/017	925/035
July	885/807	895	905/014
Oct.	010/950	—	070/980
Jan.	940/1000	—	950/1010
April	1000/1050	—	1000/1060

Turnover 47 (75).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
July	115.00	—1.50	—	—
Sept.	97.63	—0.15	96.75	—0.15
Nov	101.06	—0.20	100.50	—0.25
Jan	104.70	—0.05	104.00	—5.30
Mar	107.05	—0.10	107.00	—0.50
May	111.15	—0.10	109.73	—0.30

Business done—Wheat: July 116.25-5.00, Sept 97.65-7.55, Nov 101.10-1.00, Jan 104.75-4.55, Mar 107.75 only. May 111.15 only. Sales: 130 lots of 100 tonnes. Barley: Sept 96.75-6.55, Nov 100.60-0.50, Jan 104.20 only, Mar and May untraded. Sales: 83 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 13 per cent: July 139.75, Aug/Sept 137.50, Oct 131.50, sellers, transhipment East Coast. U.S. No. 2 Soft Red Winter: July 124.75, Aug 126.25, Sept 127.75, Oct 130, sellers. EEC Harvest, 117 quoted: English feed, fob: July 115.50, Aug/Sept 98-99.25, Oct/Dec 103-104, Jan/March 109.25, sellers, East Coast. Maize: U.S. No. 3 Yellow/French, transhipment East Coast: June 146.50, sellers. Barley: English feed, fob: July/Aug 97.50, sellers, East Coast. Rest unquoted.

RUBBER

The London physical market opened slightly easier, ruled quiet throughout the day dominated by currency considerations, reports Lewis and Peat. Closing prices (buyers): spot 66.00p (same): July 66.75p (67.00p): August 66.75p (67.00p). The Kuala Lumpur fob price for RSS No. 1 was 201.3 (202.0) cents a kg and for SMR 20 was 171.5 (172.5).

COFFEE

Despite opening £10-20 higher trade and commission house selling in thin conditions created a sharp decline of £30-35, reports DSL. Prices remained under pressure during a slightly more active afternoon as sterling rallied and dealer selling emerged at the close.

COFFEE	Yesterd'ys Close	+ or —	Business Done
July	1005.05	—11.5	1950-1815
Sept.	1977-78	—13.0	2001-1965
Nov.	2016-18	—4.5	2048-2018
Jan	2060 65	+2.0	2076-2047
March	2033 60	—1.0	2065-2050
May	2075 80	—	90£0
July	2095 2100	—5.0	2105-2100

Sales: 3,324 (5,558) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for June 25: Comp daily 1979 128.39 (128.70); 15-day average 131.50 (131.68).

HIDES

HIDES—Manchester, Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 94.2p a kg, 94.2p (92.7p); 26-30.5 kg, 108.7p a kg 107.8p (106.4p); 22-26.5 kg, 116.1p a kg withdrawn, 118.0p (117.6p). Cows: under 25.5 kg, 114.3p a kg, 114.3p (114.7p)

INDICES

FINANCIAL TIMES

June 26	June 24	M'th ago	Year ago
280.95	280.58	283.09	302.64

(Base: July 1 1952 = 100)

REUTERS

June 26	June 25	M'th ago	Year ago
1760.7	1759.9	1827.6	1018.1

(Base: September 18 1931 = 100)

MOODY'S

May 14	May 13	M'th ago	Year ago
821.9	983.9	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	June 25	June 24	Month ago	Year ago
Spot	118.52	118.75	—	136.66
Fut.	118.75	118.81	—	134.23

(Base: December 31 1974 = 100)

COCOA

Following the recent pattern of trade, futures were locked in a narrow range and ended a more active day little changed. More physical interest was apparent with light offering from producers and some further consumer offtake for the forward positions, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
July	1724-1765	+4.0	1727-1715
Sept.	1105-1767	+5.3	1715-1695
Dec.	1577-1578	—4.0	1690-1675
Mar.	1665-1557	—6.0	1697-1685
May	1693-1695	—0.0	1711-1699
July	1716-1716	—6.5	1725-1714
Sept.	1720-1795	—4.0	—

Sales: 4,278 (4,582) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for June 26: 94.13 (93.09); five-day average for June 27: 93.64 (93.84).

SUGAR

LONDON DAILY PRICE—Raw sugar $86.00 (£67.00), unchanged (unchanged) a tonne for June-July-August delivery. White sugar $127.50, up $1.50.

Prices rose following higher whites prices, which appeared to be anticipating the EEC action in granting no export restitutions, reports C. Czarnikow.

No. 6 Contract	Yest'day's close $ per tonne	Previous close	Business done
Aug	88.4-88.8	90.4-86.8	87.8-86.2
Oct	88.4 88.5	87.6-87.5	88.6 87.2
Dec	93.4-93.8	92.8-93.4	94.4-03.0
Mar	103.8-104.0	103.5-103.8	105.0-103.4
May	108.4-108.9	107.6-108.4	110.8
Aug	116.6-114.5	113.2-113.6	—
Oct	117.6-118.8	117.8-118.4	119.4-118.0

Sales: 2,697 (1,251) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £168.00 (£167.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for June 25: Daily price 2.74 (2.75); 15-day average 2.78 (same).

SOYABEAN MEAL

The market opened around unchanged in quiet trading conditions, reports T. G. Roddick. Prices remained within narrow ranges throughout the afternoon.

	Yesterday close £ per tonne	+ or —	Business Done
August	115.5-116.0	—0.75	—
October	117.0-117.2	—0.80	117.7
Dec	121.5-122.5	—0.85	122.0-122.5
Feb	127.5-128.0	—0.45	128.6
Apr	128.5-129.3	—0.80	120.0
June	128.5-120.7	—0.80	129.0
August	128.5-132.0	—0.25	—

Sales: 177 (401) lots of 20 tonnes.

OIL

A directionless crude market saw little change. Nymex traded in a 15c range above Tuesday's close. In the petroleum products market prompt gas oil prices remained stable in thin conditions. Quotations for first-half of July shipment fluctuated over the day reflecting uncertainty of market direction—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—July		
Arab Light	27.10-27.20	+0.15
Arab Heavy	24.30-25.05	—
Dubai	25.85-25.95	—
Brent Blend	26.45-26.50	—
W.T.I. (1pm est)	26.80-26.90*	—
Forcados (Nigeria)	26.30-26.40	—
Urals (cif NWE)	25.40-25.55	—0.05
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	281-283	—
Gas Oil	218-215	—
Heavy fuel oil	126-128	—
Naphtha	256-258	—

*August

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
July	216.00	—0.50	215.00-14.50
Aug	212.75	—0.50	215.25-12.25
Sep	219.75	—	215.25-12.50
Oct	214.00	—0.25	214.00
Nov	218.00	+1.25	—
Dec	216.75	+3.00	—
Jan	218.50	+0.50	—

Turnover: 433 (495) lots of 100 tonnes.

POTATOES

Following recent volatile movements the market remained quiet, trading mostly around unchanged levels but slipping towards the close to finish downward drift in the afternoon underweak, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business Done
Nov.	59.00	59.40	60.00-59.80
Feb.	68.50	68.55	—
Apr.	78.30	79.00	79.50-78.20
May	85.60	84.50	86.00-85.50

Sales: 190 (534) lots of 40 tonnes.

PIGMEAT

Some price erosion met support at lower levels, but the market lacks direction at present in spite of increased activity, reports CCST Commodities.

Month	Yesterdays close p. per kilo (deadweight)	Previous close	Business done
Aug.	103.10	103.60	103.40-102.70
Oct.	107.00	107.50	107.20-107.00
Nov.	107.20	107.70	107.50-106.50
Feb.	96.40	98.50	98.50
April	96.80	99.70	100.00
June	95.30	00.00	—

Sales: 110 (10) lots of 50 carcases, 3,250 kg.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 97.75p per kg lw (—6.85). GB—Sheep 148.31p per kg est dcw (—29.42). GB—Pigs 80.61p per kg lw (+6.53). GB—AAPP 102.41p per kg dw (+1.15).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 75.0 to 81.0; English forequarters 52.0 to 55.0; Ulster hindquarters 84.0 to 90.0. Veal: Dutch hinds and ends 137.0 to 141.0. Lamb: English small 68.0 to 78.0, medium 66.50 to 74.0, heavy 65.0 to 68.0; Imported: New Zealand PL 65.0 to 66.5, PX 65.0 to 65.5. Pork: English under 100 lb 47.5 to 58.5, 100-120 lb 51.5 to 57.0, 120-160 lb 45.0 to 49.0.

COTTON

LIVERPOOL—No spot or shipment sales were recorded. Business was at a low ebb and traders avoided forward commitments. Users seemed content with existing supplies.

U.S. MARKETS

PRECIOUS METALS failed to respond to dollar weakness as selling developed in response to a large build-up in Comex silver stocks, reports Heinold Commodities. Copper and Aluminium traded lower on reports of a slowing in U.S. auto sales during late June. Sugar was steady on a lack of fresh feature. Cocoa showed a firmer tone continuing concerns over pod rot affecting the Brazilian crop. Coffee attracted short-covering reflecting the potential for cooler tempretures later this week in the growing areas of Brazil. Cotton firmed reflecting a lack of producer offers and little likelihood any changes would be made in 1985 loan programmes. Heating oil advanced with the entire complex higher as the API stock report turned out to be bullish for gasoline. The proximity of the Opec meeting injected caution against excessive optimism. Grains and soyabeans sold gradually through the day finishing with moderate losses. Unwinding of bear spreads weakened old crop months in realtion to the new crop futures. Weakness in soya oil, somewhat unexpected ahead of deliveries, was also a factor in the bearishness.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
June	43.45	—	—	44.20
July	43.60	43.85	43.45	44.25
Aug	43.85	—	—	44.60
Sept	44.20	44.70	44.15	44.65
Dec	45.25	45.50	45.25	46.00
Jan	45.60	—	—	46.35
March	46.30	46.75	45.75	47.05
May	47.00	—	—	47.75
July	47.70	—	—	48.45
Sept	48.40	—	—	49.16

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	1981	2000	1965	1966
Sept	1993	2020	1982	1979
Dec	1979	1995	1970	1967
March	1985	2005	1981	1979
May	2000	2000	1997	1997
July	2023	2020	2013	2017

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
July	141.08	141.40	140.15	140.60
Sept	143.08	143.75	142.60	142.66
Dec	144.50	145.25	144.00	144.00
March	144.80	144.85	144.00	144.00
May	144.23	144.25	144.15	143.78
July	143.01	—	—	143.90

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
June	58.65	58.90	58.60	59.60
July	58.65	60.10	58.35	59.85
Aug	59.15	—	—	60.30
Sept	59.55	60.55	59.40	60.75
Dec	60.65	62.05	60.50	61.??
Jan	60.95	—	—	62.13
March	61.60	62.95	61.90	62.75
May	62.05	63.40	62.05	63.20
July	62.55	63.80	62.90	63.65
Sept	63.15	64.40	63.25	64.20

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
July	61.90	62.75	61.35	61.10
Oct	61.85	61.90	61.40	61.34
Dec	61.73	62.00	61.55	61.53
March	62.80	62.91	62.54	62.67
May	62.97	63.25	62.96	62.88
July	63.05	63.90	62.90	62.85
Oct	59.30	59.25	59.12	59.07
Dec	58.65	58.50	58.50	58.45

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrel

	Latest	High	Low	Prev
Aug	25.98	26.98	26.77	26.75
Sept	26.38	26.40	26.18	26.13
Oct	25.98	25.98	25.78	25.74
Nov	25.75	25.75	25.51	25.44
Dec	25.50	25.50	25.20	25.18
Jan	25.22	25.20	24.95	24.92
Feb	24.92	24.93	24.90	24.75
March	24.75	—	—	24.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
June	315.7	317.9	315.2	316.0
July	319.0	—	—	319.4
August	317.8	320.2	317.2	318.3
Oct	321.5	323.8	321.0	322.1
Dec	326.5	328.1	325.2	326.1
Feb	329.7	331.5	330.5	330.3
April	334.0	336.0	334.5	334.6
June	338.7	340.3	340.0	339.4
August	343.5	346.0	346.5	344.3
Oct	348.6	—	—	349.4
Dec	353.5	—	—	354.4
Feb	358.8	360.5	360.5	359.8
April	364.3	—	—	365.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
July	69.20	65.20	68.50	68.61
Aug	68.70	68.70	67.85	67.84
Sept	69.05	69.05	68.20	68.03
Oct	69.80	69.80	68.95	68.72
Nov	70.80	70.60	69.75	69.42
Dec	71.45	71.50	70.45	70.10
Jan	71.25	70.95	70.75	70.50
Feb	71.00	71.00	71.00	70.85
March	—	—	—	70.25
April	69.25	—	—	69.25

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
July	140.70	141.00	140.00	141.95
Sept	138.00	138.25	137.00	139.45
Nov	135.70	136.50	135.00	137.55
Jan	134.45	134.70	134.00	135.75
March	145.45	134.50	134.50	136.90
May	134.45	—	—	135.85
July	134.45	—	—	135.95
Sept	134.45	—	—	135.35
Nov	134.45	—	—	135.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
July	268.5	269.0	264.5	268.8
Oct	2??.3	272.5	268.0	270.8
Jan	274.3	276.5	273.5	275.8
April	279.4	283.3	281.0	[illegible]
July	285.3	287.6	287.0	288.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
June	613.7	616.5	617.0	613.6
July	614.0	619.0	610.0	615.5
Aug	617.7	—	—	619.2
Sept	622.5	6280	616.5	621.5
Dec	634.5	640.0	632.5	636.5
Jan	639.5	—	—	641.1
March	647.8	656.0	646.5	649.6
May	656.9	664.0	661.0	658.7
July	666.5	672.5	668.0	668.4
Sept	675.8	684.0	678.0	678.8

SPOT PRICES—Chicago loose lard 10.60 (19.25) cents per pound. Handy and Harman silver bullion 917.0 (615.0) cents per troy ounce.

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
July	2.69	2.73	2.67	2.70
Sept	2.81	2.86	2.68	2.80
Oct	2.87	2.92	2.85	2.85
Jan	3.17	3.22	3.17	3.14
March	3.53	3.60	3.53	3.53
May	3.75	3.80	3.75	3.75
July	3.95	4.01	3.94	3.96
Sept	3.98	—	—	4.0?
Oct	4.21	4.26	4.20	4.2?

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Aug	57.77	58.60	57.52	57.70
Oct	58.87	59.60	58.75	58.12
Dec	60.80	61.60	60.70	60.96
Feb	61.70	62.35	61.60	62.05
April	62.90	63.42	62.70	63.05
June	63.65	63.80	63.50	63.65

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
July	50.25	50.85	49.86	50.40
Aug	48.25	48.80	48.05	48.32
Oct	44.45	45.42	44.25	44.85
Dec	46.65	47.30	46.46	47.00
Feb	48.85	48.80	48.35	48.45
April	45.45	45.45	45.00	45.20
June	47.70	47.70	47.25	47.95
July	48.80	48.80	48.50	48.70
Aug	47.90	48.00	47.90	—

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
July	273.4	274.0	273.2	273.6
Sept	257.0	259.2	256.4	258.2
Dec	251.9	254.4	251.4	253.4
March	261.0	264.0	261.0	263.6
May	265.0	267.4	264.4	267.0
July	264.9	268.0	264.4	267.6
Sept	249.0	250.6	248.4	251.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	61.05	63.50	60.77	62.77
August	61.25	63.35	60.75	62.52
Feb	70.37	71.85	69.85	71.32
March	70.40	71.65	69.80	71.25
May	71.70	72.00	70.95	72.40
July	71.90	71.80	71.00	72.40
August	70.90	70.60	70.50	71.25

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	568.2	578.4	568.0	577.2
August	566.2	572.4	566.5	571.6
Sept	561.0	567.0	561.0	565.9
Nov	566.0	571.0	564.0	569.0
Jan	574.4	579.9	574.4	979.0
March	584.4	589.4	584.4	589.4
May	593.0	595.5	593.5	597.4
July	598.5	601.5	598.0	602.9

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	120.3	122.0	120.2	122.2
August	123.6	124.5	123.0	125.1
Sept	125.5	127.5	125.4	128.6
Oct	128.5	130.3	128.5	130.4
Dec	133.9	136.5	133.6	135.?
Jan	136.5	138.5	136.5	138.6
March	140.0	142.5	140.0	142.1
May	145.0	147.5	145.5	147.5
July	149.3	—	—	131.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	30.27	30.69	30.25	30.38
August	28.10	29.47	28.10	29.27
Sept	28.08	28.42	25.90	28.28
Oct	27.15	27.60	27.10	27.29
Dec	26.23	26.69	26.13	26.48
Jan	25.70	26.05	25.70	26.00
March	25.55	25.50	25.50	25.65
May	25.12	25.40	25.90	25.35
July	24.61	24.85	24.61	25.05
August	24.44	—	—	24.75

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
July	321.4	323.0	321.0	323.2
Sept	324.0	325.8	324.5	325.2
Dec	329.2	331.5	329.5	330.3
March	325.9	331.0	328.4	330.5
May	317.4	320.6	317.4	319.2
July	302.4	304.0	302.0	303.2

OTHER MARKETS

PARIS

SUGAR—(FFr per tonne): Aug 1160/1200, Oct 1196/1203, Dec 1210/1223, Mar 1250/1252, May 1290/1295, Aug 1345/1355.

COCOA—(FFr per 100 kg): Jul 1950/2020, Sep 2002/2011, Dec 1976/1982, Mar 1986/2011, May 1990 bid, Jul 1985 bid, Sep 2000 bid.

ROTTERDAM

WHEAT—(U.S. $ per tonne) U.S. No. 2 Soft Red Winter: July 142.75, Aug 144, Sept 145.50, Oct 146.50, sellers. U.S. No. 2 Northern Spring, 14 per cent protein: Spot 178, July 184, Aug 180, Sept 158, Oct 164, Nov 166, Dec 169, sellers. U.S. Northern Spring, 15 per cent protein: July 175, Aug 171, Sept 170, Oct 175, Nov 177, Dec 179, sellers. U.S. No. 3 Hard Amber Durum: June 176, July 185, Aug 164, Sept 162, Oct 166, Nov 171, sellers. Canadian No. 1 Western Amber Durum: Spot 177, July 175, July/Aug 176.50, Aug 178, Aug/Sept 177.50, Sept 175, sellers.

MAIZE (U.S. $ per tonne) U.S. No. 3 Yellow: Afloat 128.50-127.60, June 127.90, July 128.50, Aug 126.25, Sept 123.50, Oct/Dec 122.25, Jan/March 126, sellers. Argentine, Plate: Afloat 133, June 134, July 132, Aug 134, sellers.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 630.0, 630.0, 631.0-630.0; Oct 620.0, 625.0, 624.0; Dec 624.0, 625.0, 624.0; March 632.0, 635.0, nil; May 634.0, 643.0, nil; July 636.0, 645.0, nil; Oct 616.0, 637.0, nil; Dec 624.0, 647.6, nil. Sales: 15.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Aug 534, 539, 540; Oct 539, 540, 541-540; Dec 537, 540, nil; Jan 537, 540, 541; Mar 548, 550, 549; May 555, 557, 556; Aug 568, 570, 569; Oct 567, 571, nil; Dec 567, 571, 570. Sales: 28.

CURRENCIES, MONEY and CAPITAL MARKET

FOREIGN EXCHANGES

Dollar around day's low

The dollar finished near its lowest levels of the day, after a fairly nervous day on the foreign exchanges. Dealers are still trying to assess the strength of the U.S. economy after the latest statistics, including last week's second quarter GNP figure, and the sharp rise in durable goods orders for May. When defence contracts were stripped out of the durable goods figure it was very near to the markets anticipated increase of 1 per cent, however, and this led to some reversal in the dollar, after a flurry of buying activity on Tuesday. There is now considerable confusion and debate about the possible timing of a cut in the Federal Reserve's discount rate, although it is hoped that the next Federal Open Market Committee meeting on July 9 may shed some light on the subject. The dollar's failure to breach a technical resistance level of DM 3.0850 on Tuesday also encouraged selling yesterday, while the Federal funds overnight rate was steady around 7⅜ per cent in early New York trading.

The dollar fell to DM 3.0430 from DM 3.07; FFr 9.2725 from FFr 9.3525; SwFr 2.5325 from Sw Fr 2.57; and Y248.40 from Y248.95. On Bank of England figures the dollar's index fell to 144.3 from 145.1.

STERLING — Trading range against the dollar in 1985 is 1.3070 to 1.0525. May average 1.2517. Exchange rate index rose 0.3 to 80.6, finishing at the highest level of the day. It opened at the day's low of 80.2.

Sterling closed at its highest level of the day against the dollar, and also improved in terms of most other major currencies. The meeting of Opec ministers, scheduled for next week continues to overhang the pound, but the prospects for lower UK interest rates seemed to diminish further yesterday, following comments by the Chancellor of the Exchequer about the need to hold rates at a level high enough to reduce inflation. Sterling gained 1.30 cents to $1.2960-1.2990, and rose to DM 3.9550 from DM 3.9425; FFr 12.05 from FFr 12.00; and Y322.75 from Y319.50, but eased to SwFr 3.2950 from SwFr 3.30.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9730. May average 3.1024. Exchange rate index 122.1 against 120.4 six months ago.

The D-mark gained ground against the dollar in nervous trading. The US. currency closed at DM 3.0515 in Frankfurt compared with DM 3.07425 previously, after failing to consolidate above Tuesday's peak of DM 3.0835. Initial enthusiasm after the rise of 4.1 per cent in May U.S. durable goods orders was tempered by the sharp increase of defence spending in the figure. Volume was restricted as the end of the half year approaches, with many operators reluctant to take out new positions until the start of the new month. Attention has now focused on Friday's May U.S. leading indicators, but this figure is not expected to move the dollar outside its present narrow range. The Bundesbank did not intervene yesterday when the dollar was fixed at DM 3.0617 in Frankfurt compared with DM 3.0604 on Tuesday.

STERLING INDEX

	June 26	Previous
8.30 am	80.2	80.4
9.00 am	80.3	80.1
10.00 am	80.4	80.2
11.00 am	80.3	80.3
Noon	80.3	80.3
1.00 pm	80.3	80.2
2.00 pm	80.5	80.3
3.00 pm	80.5	80.1
4.00 pm	80.6	80.3

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.2475	+0.78	+0.88	±1.5471
Danish Krone	8.14104	8.06232	−0.97	−0.87	±1.6419
German D-Mark	2.24184	2.24739	+0.25	+0.35	±1.1475
French Franc	6.87456	6.84672	−0.42	−0.32	±1.3669
Dutch Guilder	2.52595	2.53346	+0.30	+0.40	±1.5673
Irish Punt	0.72569	0.716877	−1.21	−1.11	±4.0410
Italian Lira	1403.49	1435.83	+2.30	+2.30	±1.5171

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

	June 26	Prev. close
£ Spot	$1.2975-1.2985	$1.2865-1.2875
1 month	0.55-0.53 pm	0.55-0.53 pm
3 months	1.43-1.39 pm	1.44-1.46 pm
12 months	3.82-3.67 pm	3.82-3.75 pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

June 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2825-1.2990	1.2980-1.2990	0.58-0.55c pm	5.22	1.50-1.45pm	4.54
Canada	1.7536-1.7677	1.7651-1.7677	0.55-0.46c pm	3.43	1.32-1.18pm	2.83
Nethlnd.	4.43½-4.46½	4.45½-4.46½	2⅛-2¼c pm	6.22	6½-6¼pm	5.72
Belgium	79.20-79.60	79.50-79.60	32-27c pm	4.45	82-73pm	3.90
Denmark	14.12¼-14.19½	14.18½-14.19½	4-2¼ore pm	2.85	9¾-8½pm	2.57
Ireland	1.2565-1.2600	1.2570-1.2580	0.32-0.16c pm	2.29	0.91-0.36pm	1.54
W. Ger.	3.93¼-3.96	0.95-3.96	2⅛-2½pf pm	7.77	6⅞-6⅝pm	6.89
Portugal	222-227¼	222½-226	220-550c dis	−20.80	575-1545d	−16.91
Spain	225¼-226	225½-225¾	40-65c dis	−2.79	185-235dis	−3.73
Italy	2,508½-2,525½	2,524½-2,525½	par-3lire dis	−0.71	6-11dis	−1.35
Norway	11.33-11.39½	11.38½-11.39½	½ore pm-½ dis	—	½pm-½dis	−0.07
France	11.98¾-12.05½	12.04½-12.05½	2⅞-2⅝c pm	2.61	6⅝-5⅝pm	2.03
Sweden	11.35¾-11.41½	11.40½-11.41½	3⅜-4⅛ore dis	−4.08	11⅞-12dis	−4.05
Japan	316-323¼	322¼-323¼	1.92-1.83y pm	6.97	5.02-4.91pm	6.15
Austria	27.67-27.77	27.72-27.75	16-14½gro pm	6.60	41-37½pm	5.63
Switz.	3.27¾-3.30¼	3.29-3.30	2⅛-2c pm	7.51	6⅞-5⅝pm	6.96

Belgian rate is to convertible francs. Financial franc 80.05-80.15. Six-month forward dollar 2.52-2.47c pm, 12-month 3.95-3.80c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

June 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2825-1.2990	1.2980-1.2990	0.58-0.55c pm	5.22	1.50-1.45pm	4.54
Ireland†	1.0228-1.0304	1.0294-1.0304	0.30-0.20c pm	2.93	0.85-0.70pm	2.03
Canada	1.3635-1.3650	1.3635-1.3645	0.19-0.22c dis	−1.80	0.57-0.62dis	−1.74
Nethlnd.	3.4300-3.4585	3.4340-3.4350	0.31-0.28c pm	1.03	1.00-0.97pm	1.14
Belgium	61.25-61.75	61.30-61.40	6⅞-6⅛c dis	−1.17	16-18½dis	−1.12
Denmark	10.91-11.00½	10.91-10.91½	1½-2ore dis	−1.91	3⅞-4dis	−1.37
W. Ger.	3.0390-3.0670	3.0425-3.0435	0.65-0.60pf pm	2.45	1.86-1.81pm	2.40
Portugal	174½-178	174½-178	250-600c dis	−25.71	650-1400d	−23.43
Spain	173.88-175.30	174.10-174.25	100-115c dis	−7.37	315-350dis	−7.60
Italy	1,946-1,956½	1,946½-1,946½	10-10½lire dis	−6.29	28¼-30dis	−6.06
Norway	8.76¼-8.83¾	8.75¾-8.76¾	3½-4ore dis	−5.71	9¾-10¼dis	−4.54
France	9.26½-9.34	9.27-9.27½	2.00-2.10c dis	−2.64	3.80-6.10dis	−2.56
Sweden	8.79-8.83¾	8.79-8.79½	6½-7ore dis	−9.16	18½-19½dis	−8.61
Japan	248.05-249.15	248.35-248.45	0.38-0.34y pm	1.73	1.07-1.02pm	1.68
Austria	21.38-21.55¾	21.51-21.53	2½-2gro pm	1.32	7½-6pm	1.18
Switz.	2.5320-2.5635	2.5320-2.5330	0.52-0.46c pm	2.30	1.58-1.52pm	2.42

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.65-61.75.

OTHER CURRENCIES

June 26	£	$		£ Note Rates
Argentina Austl.	1.02-1.35	0.79-0.81	Austria	27.65-27.95
Australia Dollar	1.9285-1.9025	1.4925-1.4950	Belgium	79.40-80.30
Brazil Cruzeiro	7,628-7,661	5,900-6,020	Denmark	14.08-14.22
Finland Markka	8.1945-8.2135	6.3440-6.3460	France	11.96-12.08
Greek Drachma	175.31-177.04	134.75-137.56	Germany	3.96½-3.96½
HongKong Dollar	10.0500-10.0600	7.7515-7.7535	Italy	2495-2525
Iran Rial	120.80*	92.90*	Japan	320-323
Kuwait Dinar (KD)	0.3915-0.3983	0.30265-0.30295	Netherlands	4.49-4.46
Luxembourg Fr	79.50-79.60	61.30-61.40	Norway	11.39-11.44
Malaysia Dollar	3.2150-3.2210	2.4850-2.4850	Portugal	218-230
New Zealand Dlr.	2.7285-2.7305	2.1065-2.1113	Spain	218-227
Saudi Arab Riyal	4.7246-4.7290	3.6518-3.6518	Sweden	11.31-11.42
Singapore Dollar	2.9090-2.9150	2.2465-2.2485	Switzerland	3.28-3.31
Sth African Rand	2.5085-2.5605	1.9675-1.9716	United States	1.28-1.30
U.A.E. Dirham	4.7515-4.7565	3.6763-3.6730	Yugoslavia	354-362.6

* Selling rate.

CURRENCY MOVEMENTS

June 26	Bank of England Index	Morgan Guaranty Change %
Sterling	80.6	−8.9
U.S. dollar	144.3	+29.6
Canadian dollar	87.6	−6.6
Austrian schilling	112.6	+2.9
Belgian franc	89.4	−11.0
Danish Kroner	77.8	−6.2
Deutsche mark	122.1	+6.6
Swiss franc	141.1	+8.7
Guilder	116.6	+3.0
French franc	65.2	−10.4
Lira	45.4	−17.1
Yen	166.5	+18.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

June 26	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.775038	0.589245
U.S. $	7½	0.997549	0.734440
Canadian $	9.67	*	1.00214
Austria Sch	4½	61.4683	15.8125
Belgian Fr	9¼	61.8064	45.2415
Danish Kr	7	10.9851	8.06232
D'mark	4½	3.05420	2.24739
Guilder	5¼	3.44454	2.53346
French Fr	9½	9.30715	6.84570
Lira	13½	1951.60	1435.83
Yen	5	248.489	182.839
Norway Kr	8	8.79788	6.46930
Span'h Pta	—	174.636	128.600
Swedish Kr	11.5	8.79988	6.47665
Swiss Fr	4	2.55402	1.87943
Greek Dr'ch	20½	135.791	99.8279
Irish Punt	13¾	0.973694	0.716877

* C$/SDR rate for June 25: 1.36132.

EXCHANGE CROSS RATES

June 26	Pound Sterling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.299	3.955	322.8	12.05	3.295	4.460	2525.	1.765	79.66
U.S. Dollar	0.770	1.	3.043	248.4	9.273	2.535	3.435	1945.	1.360	61.35
Deutschemark	0.253	0.328	1.	81.61	3.047	0.833	1.128	638.4	0.447	20.11
Japanese Yen 1,000	3.098	4.026	12.25	1000.	37.34	10.21	13.82	7823.	5.473	246.6
French Franc 10	0.830	1.078	3.282	267.8	10.	2.734	3.701	2095.	1.466	66.02
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgian Franc 100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

June 26	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12¾-10⅞	7⅛-7½	9-9½	6¾-7	1⅝-1⅝	6⅜-5⅛	10⅛-10⅜	13-14	7⅞-8⅛	7⅞-8⅛	6-6⅛	10-10½
7 days' notice	[illegible]	7⅛-7⅛	9¼-9½	6⅝-7	10-16½	5⅜-5⅜	10⅛-10⅜	10-13	8⅛-8⅜	8⅝-8⅞	6¼-6⅜	10-10½
Month	10⅝-12⅜	7⅝-7¾	9⅛-9⅜	6¾-6⅞	5⅛-5⅝	5⅞-5⅞	10⅛-10¼	13-13½	8⅛-8⅜	8⅝-8⅞	6¼-6⅜	9¾-10¼
Three months	[illegible]	7¾-7⅞	9⅜-9⅝	6⅝-6¾	5⅜-5½	5⅛-5⅝	10¼-10⅜	15⅝-14	8⅝-8⅞	8⅝-8⅞	6¼-6⅜	9½-10
Six months	[illegible]	[illegible]	9⅝-9⅞	6⅝-6⅞	5⅝-5⅞	5¼-5⅝	10⅝-10⅞	15¾-14½	8¾-9	8¾-9	6¼-6⅜	9½-10
One year	[illegible]	8½-8⅝	9⅞-10	6⅞-6⅞	5¼-5⅜	5⅝-5¾	11-11⅛	14½-14¾	9⅛-9⅜	9-9¼	6⅜-6⅝	9¾-10¼

Asian $ (closing rate in Singapore). Short-term 7⅛-7⅝ per cent; seven days 7⅛-7⅝ per cent; one month 7⅝-7⅞ per cent; three months 7⅞-7⅞ per cent; six month 8⅛-8¼ per cent; one year 8⅝-8⅝ per cent. Long-term Eurodollars: two years 9⅝-9⅝ per cent; three years 9⅝-9⅞ per cent; four years 10-10⅛ per cent; five years 10¼-10½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates static in quiet trading

Interest rates showed little overall change in London yesterday in rather dull trading. Comments by Mr Nigel Lawson, Chancellor of the Exchequer, repeating the Government's resolve to fight inflation and monetary growth through interest rates, provided little impetus for rates to move outside recent trading ranges. Three month interbank money was unchanged at 12⅝-12⅝ per cent as were three-month eligible bank bills, bid at 12 per cent. Overnight interbank money touched a high of 13½ per cent but eased to a low of 10 per cent.

UK clearing banks base lending rate 12½ per cent since June 12

The Bank of England forecast a shortage of around £550m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £354m and the unwinding of previous sale and repurchase agreements a further £450m. There was also a rise in the note circulation of £110m and banks brought forward balances £90m below target. These were partly offset by Exchequer transactions adding £170m.

To help alleviate the shortage, the Bank offered an early round of assistance which totalled £459m and comprised purchases of £263m of eligible bank bills in band 1 (up to 14 days) at 12½ per cent, £98m in band 2 (15-33 days) at 12½ per cent, £63m in band 3 (34-63 days) at 12½ per cent and £35m in band 4 (64-91 days) at 12 per cent.

The Bank gave further assistance in the morning of £302m through purchases of £22m of eligible bank bills in band 1 at 12½ per cent, £19m in band 2 at 12½ per cent and £12m in band 3 at 12½ per cent. In band 4 it bought £98m of Treasury bills and £151m of eligible bank bills all at 12 per cent. The forecast was later revised before taking into account the early help to a shortage of £950m.

MONEY RATES

June 26	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.45-5.55	10¼	29¼-50¼	6¾-6⅞	6.21875	14⅞-15¼	6.80	11¾-18
One month	5.40-5.65	10⅛-10⅜	5½-5⅝	6¾-6⅞	6.28125	14⅝-14¾	8⅝-8⅞	11¾-12
Two months	5.50-5.65	10¼-10⅜	—	—	—	—	—	11¾-12
Three months	5.55-5.70	10¼-10⅜	5⅜-5½	6⅝-6¾	6.28125	14⅞-15¼	8⅝-8⅞	11¾-12
Six months	5.6-5.75	10⅛-10½	—	6⅝-6¾	—	—	8¾-9	11¾-12
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	6⅝	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. June 26)

3 months U.S. dollars

bid 7 13/16 — offer 7 15/16

6 months U.S. dollars

bid 8 1/8 — offer 8 1/4

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

[illegible]

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices finished towards the best levels of the day in the London International Financial Futures Exchange yesterday. Values were marked down at the start despite a relatively successful outcome to Tuesday's four year note auction in the U.S. but profit taking developed at the lower levels, and with some covering of short positions, so prices recovered. Sentiment was also influenced by a lower Federal funds rate and hopes of a successful outcome to last night's U.S. Treasury auction, held after the close of business in London.

The market was also buoyed by preliminary estimates suggesting a fall in U.S. M1 money supply this week while further analysis of Tuesday's U.S. durable goods orders pointed towards the inclusion of defence orders being responsible for a sharper than expected rise in the figure. Consequently values were marked up in the afternoon and with sterling showing a stronger tone so sterling based instruments finished on a firmer note. Early trading in gilts and 3-month sterling had been quiet and uneventful.

Today sees the start of trading in the Liffe market of sterling/dollar and Euro-dollar options.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	91.81	91.82	91.67	91.86
Dec	91.32	91.32	91.21	91.16
March	90.90	90.92	90.80	90.78
June	90.55	90.51	90.46	90.43
Sept	90.26	—	—	90.14

Est. Volume 5,646 (8,189)
Previous day's open int. 17,891 (17,412)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	75-24	75-25	75-08	75-24
Dec	74-24	74-25	74-18	74-26
March	73-24	73-25	73-19	73-28

Est. Volume 1,851 (2,455)
Previous day's open int. 2,023 (2,027)

CHICAGO

[illegible]

FT-SE 100 INDEX

	Close	High	Low	Prev
June	124.15	124.70	122.90	124.50
Sept	124.80	125.00	124.45	125.65

Est. Volume 672 (841)
Previous day's open int. 2,064 (1,982)

GNMA (CBT) 8% $100,000
32nds of 100%

	Latest	High	Low	Prev
Sept	74-21	74-23	74-18	74-20
Dec	73-28	73-31	73-25	73-28
March	—	—	—	—
June	—	—	—	72-27
Sept	—	—	—	72-15

Legal Notices

IN THE SUPREME COURT OF BERMUDA
No 182 of 1985
IN THE MATTER OF
CAMBRIDGE REINSURANCE LIMITED
and
IN THE MATTER OF THE
COMPANIES ACT 1981

WINDING UP ORDER

TAKE NOTICE that a winding-up order was made against the above-named Company on 17 May 1985

MEETING OF CREDITORS

TAKE NOTICE that a meeting of Creditors in the above matter will be held at The Chartered Insurance Institute, 20 Aldermanbury, London, EC2V 7HY, England, on the 24th day of July 1985 at 11.00 o'clock in the forenoon.

Dated this 21st day of June 1985

D. E. W. LINES,
G. A. WEISS,
Joint Provisional Liquidators

NB—Any enquiries in relation to this matter should be addressed to the Joint Provisional Liquidators, SH 411, Shelley House, 3 Noble Street, London EC2V 7DQ, England.

IN THE MATTER OF
TIETEX FABRICS LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the abovenamed Company, which is being voluntarily wound up, are required on or before July 12, 1985 to send in their full Christian and Surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any) to the undersigned HORACE BOMAR, care of 13 Police Street, Manchester M2 7LQ, the Liquidator of the said Company and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such a notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated June 17, 1985.

HORACE BOMAR, Liquidator

This Notice is purely formal. All known creditors have been, or will be, paid in full.

Analysis of bank advances and acceptances

to UK residents by reporting institutions in the UK at May 15 1985 (Table 5, Bank of England Quarterly Bulletin)

£m

INDUSTRIAL DETAIL

All banks (amounts outstanding) (sterling and other currencies)		Total to UK residents	Agriculture, forestry and fishing	Oil and extraction of natural gas	Other energy industries	Water supply	Total manufacturing	Extraction of minerals and ores	Metal manufacturing	Mineral products
Loans and advances	1985 Feb 20	148,504	5,320	4,151	2,327	396	21,823	537	1,318	822
	May 15	148,757	5,534	3,137	2,202	407	21,109	571	1,049	781
Acceptances	1985 Feb 20	12,054	66	381	183	1	6,471	242	374	159
	May 15	13,411	63	333	200	2	6,402	177	343	136
Total	1985 Feb 20	161,558	5,386	4,532	2,510	397	28,294	779	1,691	980
	May 15	162,168	5,597	3,469	2,401	408	27,511	748	1,392	917
of which in sterling	1985 Feb 20	118,495	5,362	1,607	1,524	49	21,372	517	1,146	591
	May 15	123,465	5,580	1,472	1,525	39	21,668	442	1,052	576
Changes in total lending in three months ended: In sterling	1985 Feb 20*	+4,889	−107	− 66	+227	+ 7	+ 562	− 34	− 48	+ 10
	May 15‖	+4,970	+216	−135	+ 1	− 10	+ 296	− 75	− 94	− 15
In other currencies†	1985 Feb 20*	+3,664	− 4	+308	+ 61	+216	+ 641	+ 15	+ 23	+ 4
	May 15‖	+1,611	− 5	−567	+ 26	+ 73	− 145	+ 86	−141	+ 4
Group detail (total outstanding) (sterling and other currencies) Retail banks (of which in sterling)	1985 Feb 20	75,165 (69,316)	5,176	699	321	17	12,600	250	729	394
	May 15	77,310 (71,593)	5,401	715	331	9	12,683	296	691	394

All banks (amounts outstanding) (sterling and other currencies)		Chemical industry	Mechanical engineering	Electrical engineering	Motor vehicles	Other transport equipment	Other engineering and metal goods	Food, drink and tobacco	Textiles, leather, clothing and footwear	Other manufacturing
Loans and advances	1985 Feb 20	1,679	1,762	2,761	576	1,198	1,678	3,564	1,543	4,386
	May 15	1,503	1,706	2,381	600	1,204	1,698	3,522	1,564	4,528
Acceptances	1985 Feb 20	797	184	836	648	83	311	1,483	201	1,155
	May 15	808	177	843	629	76	314	1,511	218	1,170
Total	1985 Feb 20	2,476	1,946	3,597	1,224	1,281	1,989	5,046	1,744	5,541
	May 15	2,313	1,883	3,225	1,228	1,281	2,012	5,034	1,781	5,698
of which in sterling	1985 Feb 20	1,862	1,577	2,847	1,114	937	1,673	3,702	1,417	3,990
	May 15	1,875	1,574	2,634	1,136	988	1,700	3,923	1,539	4,230

[illegible]

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
99	97¾	Treas 8¼pcCnv '85	99	.....	8.82	12.55
101	99	Exch. 12½pc 1985	99	.....	12.25	12.14
101	99	Exch. 11¼pc '86	99⅞	.....	11.77	11.84
99½	97	Treas. 10pcCnv 1986	98⅝	.....	10.14	11.77
94⅞	92¼	Treas 3pc 1986	94⅜	+ 1/16	3.18	9.70
100	97½	Exch. 10½pc Cv '86	99	.....	10.60	11.57
101⅞	99¾	Treas 12pc 1986	100	.....	11.95	11.48
97⅜	94⅜	Treas 8¾pc 1984-86‡‡	97¾xd	.....	8.73	11.27
105	102	Exch. 14pc 1986	102	.....	13.60	11.49
93¼	87¼	Exch. 2½pc 1986	92¼	.....	2.69	8.05
104	101⅜	Exch. 13¼pc 1987	102¼xd	.....	12.93	11.47
99½	96⅜	Treas 10¼pcCv '87	98	+ ⅛	10.43	11.39
91	85½	Exch 2½pc 1987	90⅝	.....	2.76	8.66
99	96¼	Exch. 10½pc 1987	98⅝	+ 1/16	10.65	11.33
93⅛	89	Funding 6½pc '85-87‡‡	93	.....	7.00	11.76
98½	95½	Treas. 10pc 1987	97	+ 1/16	10.23	11.34
90¼	84¼	Treas 3pc 1987	90xd	.....	3.34	8.43
102	99⅛	Treas. 12pc 1987	101¼	+ 1/16	11.85	11.32
93½	90¼	Treas 7¾pc 1985-88‡‡	93¼xd	.....	8.32	10.88
98⅞	95⅜	Exch 10½pc '88	98	+ 1/16	10.69	11.23
96	93⅛	Treas 9¾pc Cv '88	96⅛	+ 1/16	10.14	11.32
85⅞	80	Transport 3pc '78-88	85⅞xd	.....	3.49	8.41
95⅜	91½	Treas. 9½pc '88	94	+ 1/16	10.01	11.34
101¼	97½	Treas 11½pc 1989	100	+ 1/16	11.45	11.33
95	90¼	Treas 9½pc Cnv. '89	94	.....	10.07	11.36
79	79	Treas 3pc 1989	79¾	.....	3.76	9.33
98½	94	Treas 10¼pc 1989	97	+ 1/16	10.78	11.31
96	92	Exch. 10pc 1989	95xd	+ 1/16	10.45	11.36
99	95	Exch 11pc 1989	98¼	+ 1/16	11.15	11.36

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued | LEISURE—Continued | PROPERTY—Continued | INVESTMENT TRUSTS—Cont. | FINANCE, LAND—Cont. | MINES—Continued

MOTORS, AIRCRAFT TRADES — Motors and Cycles — Commercial Vehicles — Components — Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

INSURANCES

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND — Investment Trusts

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS — Rubbers, Palm Oil

Teas

MINES — Central Rand — Eastern Rand — Far West Rand

O.F.S. — Diamond and Platinum — Central African — Finance — Australians — Tins — Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ⁂ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	100	...	Arnott	165	...
Craig & Rose £1	750	...	CPI Hldgs	50	...
Finlay Pkg 5p	62	...	Carrol Inds.	132	+2
Higsons Brew	235	...	Dublin Gas	53	+2
Holt (Jos) 25p	750	...	Hall (R. & H.)	58	−1
IoM Stm. £1	75	+2	Heiton Hldgs.	17	+1
IRISH			Irish Ropes	46	...
Fund 11¼% 1988	£98		Jacob (W. & R.)	80	...
Nat. 9¾% 84/89	£92½	−¼	Unidare	85	...
Fin. 13% 97/02	£102¾	...			

"Recent Issues" and "Rights" Page 42

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities receive another mauling which extends index fall since June 5 to 84 points

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
June 17	June 27	June 28	July 8
July 1	July 11	July 12	July 22
July 15	July 25	July 26	Aug 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

A continuation of the downward pressures on electronic and kindred stocks demoralised the London equity market yesterday. Leading shares tumbled for the second day running in nervous trading to leave the FT Ordinary share index down 15.6 more at 936.5, less than 8 points above its low for the year. The problems currently besetting former glamour stocks such as electronics and high-technology received widespread Press coverage following Racal's warning on Tuesday about the current business outlook.

Racal weakened further but market interest yesterday switched to **Thorn EMI**. Talk that two brokers were offering sizeable amounts of stock, the residue of orders which they had not been able to complete late the previous evening, brought Thorn EMI down sharply by 42 to 275p. The movement soon gave rise to adverse speculation and in addition some broking sources were believed to have down-graded their profit forecasts for the group following Racal's experiences.

Other areas of the equity market again suffered the effects of the sector's latest mauling. Dealers showed no desire to increase already adequate books and attempted to deter selling by marking down prices severely. The move was successful for a while but the respite proved to be only temporary. Late in the day values began to head lower again and the tone after-hours was the session's worst. The latest fall brought a two-day drop in the FT Ordinary share index of 28.7; since June 5 the index has plunged nearly 84 points.

Qualification of last month's U.S. durable goods orders, artificially increased by heavier military spending, saw sterling improve as the dollar eased. Gilt-edged investors were moderately impressed and a light early demand took quotations higher. Lack of follow-through support later brought an easier trend and the market finally recorded small mixed movements on balance. The shorts closed generally better and the longs a trifle cheaper in places. Index-linked issues also improved marginally.

Royals easier

A day after denying any such venture, **Royals** announced the acquisition of Lloyd's Life Assurance for £94m and promptly closed 10 lower at 645p. Other Composites drifted lower with sentiment still unsettled by fears of possible substantial claims arising from the Air India jumbo jet disaster. **General Accident** eased 5 to 610p as did **GRE**, to 710p, while **London United** fell 17 to 270p with the new nil-paid 10 down at 25p premium. Lloyds Brokers featured **Hogg Robinson**, 5 easier at 229p on the annual results and news of the purchase of its U.S. partner, LTV Corporation of Dallas, which is to be effected by a vendor placing of 3.5m Hogg shares at 222p.

Quietly dull conditions prevailed among the clearers with Lloyds notable for a fresh decline of 14 to 678p. **Barclays** dipped 8 to 380p and **NatWest** cheapened 3 to 655p. **Midland**, however, proved to be resilient and held the overnight level of 368p.

Newcomer **Green Property**, the holding company of an Irish property development and investment group, was unable to maintain the offer-for-sale level of 78p; after opening at that price, the shares eased to close at 73p.

Revived speculation that the company is ripe for a consortium bid prompted a lively business in **Allied-Lyons**, finally 6 to the good at 221p, after 222p. Other leading Breweries, however, gave ground in subdued trading. **Bass** slumped 15 to 527p, after 524p, while **Whitbread A** eased 4 to 216p. **Scottish and Newcastle** dipped 2 to 138p; the annual results are due on Monday. A stream of trading results failed to enliven proceedings among Regionals. **G. Ruddle** gave up 3 at 140p on the static full-year results, but Dorchester-based **Eldridge Pope** hardened a few pence to 200p following increased interim earnings.

Fears of competition from Spanish cement producers following the entry of Spain and Portugal to the EEC unsettled **Blue Circle**, down 10 at 500p. Other Buildings gave ground across a broad front. **BPB** were shaken by the preliminary results which were well below market forecasts, and slumped to a year's low of 209p before closing a net 18 off at 212p. **Countryside Properties** gave up 12 to 222p and **Costain Group** dipped 6 to 398p. **French Kier**, on the other hand, attracted support and closed 3 up at 186p following Press suggestions of a full bid in the wake of Trafalgar House's recent stake build up.

ICI closed 4 off at 733p. Elsewhere in Chemicals **Arrow Chemicals** advanced 5 to 62p on news that Barrow Hepburn has increased its holding in the company to 5.3 per cent.

Leading Stores, which displayed relatively modest falls on Tuesday, slumped sharply as sentiment deteriorated. The announcement that House of Fraser had lifted its stake to 8.13 per cent failed to stimulate **Debenhams**, which subsequently drifted lower and finished 20 down at 361p. **Burton** fell 12 to 446p; yesterday was the first closing date of the hostile offer which currently values each Debenhams at around 317.5p per share. Double-figures losses were also sustained by Habitat Mothercare, 370p, Gussies A, 750p, and Woolworth, 385p.

Secondary Stores featured **Sumrie Clothes** which dropped to 28p before closing 14 lower on balance at 30p following adverse Press comment. Elsewhere, **Harris Queensway**, 216p, and **Combined English**, 128p, shed 8 apiece, while **Superdrug** eased 5 to 405p in front of today's first-quarter figures.

Racal down again

A demoralised Electrical sector had to digest further bad news in the shape of Scrimgeour Vicker's downgraded profits forecast for Thorn EMI. **Racal**, following an adverse Press on the results and profits warning, fell 8 more for a two-day slide of 44 to 148p. Higher annual profits from **Cable and Wireless** had already been discounted and the shares dropped to 485p before rallying to finish a net 15 easier at 500p. **Ferranti** suffered a similar fate after reporting preliminary profits towards the top end of expectations and fell to 104p before closing a net 4 cheaper on balance at 112p. **STC** lost 4 more to 128p, after 124p, while **Plessey** gave up a couple of pence more at 124p, after 120p. **British Telecom**, however, at 172p, retrieved a penny of the previous day's fall of 4 which followed news that its proposed acquisition of **Mitel** had been referred to the Monopolies Commission; the latter recovered 8 to 483p. Among secondary issues, **Brikat** lost 25 to 245p, **Microfilm Rep.** gave up 20 at 290p and **Atlantic Computer** declined 15 more to 315p. **Scantronic** cheapened 11 to 130p after trading news, while **MK** eased 7 to 240p, awaiting today's preliminary figures.

Growing doubts about nationalisation compensation prospects prompted a fall of 12 to 258p in **Vickers** and a loss of 34 to 223p in **Vosper**. Elsewhere in Engineerings, **Hawker** cheapened 6 to 411p and **TI** gave up 8 more at 252p. **Westland**, however, rallied 10 more for a two-day recovery of 15 to 83p; Price Waterhouse is reviewing the company's affairs following the demise of the Alan Bristow-led consortium bid. **Birmingham Mint**, supported of late on news of a £12m Indian coin contract, improved 5 afresh to 340p in reply to the impressive annual results. **Glynwed** moved up 3 to 194p after revived speculative support.

Ranks Hovis MacDougall provided a rare bright spot in Foods, rising a couple of pence more to 154p on persistent speculation that S. & W. Berisford is about to sell its near-15 per cent stake. Berisford eased 2 to 168p. The continued absence of bid developments, hardly surprising given the market's current depression, clipped 8 more from **Rowntree Mackintosh** at 382p, while **Tate & Lyle** dipped a similar amount to 463p. **Glass Glover**, up to 295p in immediate response to the increased interim profits and dividend, settled a net 5 off at 288p, but **A. G. Barr** retained a gain of 2 at 185p, also following mid-term figures. **Maynards** attracted occasional speculative demand and advanced 20 to 335p, as did **Bluebird Confectionery**, 4 dearer at 82p.

Boots lower

The miscellaneous industrial sector provided another lengthy list of falls. Among the leaders, **Boots**, strongly rumoured recently to be on Hanson Trust's shopping list, dropped 10 to 179p, while the latter eased 4 afresh to 180p. **Beecham** fell 8 further to 320p and **Glaxo** softened ½ to £12½. Elsewhere, **A. and P. Appledore** dropped 35 to 280p in a thin market, while falls of around 10 were sustained by **AGB Research**, 175p, **Henry Boot**, 270p, **Christies International**, 245p, **Powell Duffryn**, 277p, and **Spring Ram**, 185p. **Pearson** gave up 12 at 328p and **Smiths Industries** 7 at 179p. **Prestwich** lost 10 more to 130p on further consideration of the proposed £3m rights issue, while **Pentland** eased 15 to 935p. **English China Clays** dipped 4 to 218p and the new nil-paid shares 1¼ to stand at only ¼p premium. **Street Bureau** firmed 4 to 138p. By way of contrast, **Brook** with buyers still hoping for a bid from Blue Arrow.

Investment Trusts went lower, mirroring the trend elsewhere in equities. A notable exception was provided by **Murray Growth Trust** which touched 102p before settling a net 8 to the good at 98p on the disclosure that Merchant Navy Pension Funds now control just under 25 per cent of the ordinary share capital.

Shell improve

Oils suffered along with other equity sectors. The leaders were marked down initially but staged a minor recovery in mid-afternoon. **Shell** moved against the trend from the outset as sustained American demand boosted the shares 6 to 703p, after 705p, following an investment seminar given by the company in New York. News of the gas find off the South coast of the Republic of Ireland failed to inspire **BP** which closed a net 5 off at 523p, after 520p, while similar falls were seen in **Lasmo**, 253p, and **Tricentrol**. **Britoil** eased 3 to 208p; a portion of the Government's remaining holding in the company is to be marketed abroad in response to initiatives from overseas investment houses. Second-line oils continued to attract selling. **Caledonian Offshore** dipped 10 more to 490p. **Firstland Oil and Gas** 20 to 175p, **ERIC** 15 to 185p and **Falcon Resources** 5 to 70p.

Golds easier

A firm showing by sterling against the U.S. dollar erased all and more of Tuesday's recovery in South African Golds. Dollar-quotations for Golds barely moved from their overnight levels despite modest support from South African operators, but currency fluctuations ensured a gradual decline in share prices quoted in sterling. The Gold Mines index, calculated in sterling terms, gave up 6.5 to 439.0, while the bullion price held around $316.50 for much of the day prior to closing a net $0.75 up at $317.25 an ounce.

Losses in the leading Golds extended to a full point, as in **Vaal Reefs**, £71, while **Western Deep**, gave up ¾ to £35¾ and **Free State Geduld** a like amount to £19¾.

South African Financials were also affected by the sterling/dollar exchange rate with **De Beers**, additionally depressed by reported Swiss selling, finally 8 lower at 410p. "**Amgold**" lost £1½ to £68, "**Johnnies**" a point to £85 and **Gold Fields of South Africa** ½ to £13½. Central Africans provided a firm feature in **Falcon Mines** which improved 10 to a year's high of 190p on further consideration of the annual figures.

Hampton Areas were an active market in London-domiciled Financials; the lower preliminary profits saw the shares marked down to 128p with one dealer but the absence of any subsequent selling pressure and a handful of "cheap" buyers quickly brought about a strong rally which lifted the quotation to 140p at the close, a net gain of 3. Further weakness in domestic equities unsettled **Rio Tinto-Zinc** which fell back to a 1985 low of 555p prior to ending the day only 3 easier at 560p. **Gold Fields** were a like amount off at 520p, while Cornwall's tin producer **Geevor** fell a further 5 to a year's low of 185p for a two-day decline of 12.

Australians generally held around their overnight levels. Jupiter diamond explorer **Gem Exploration** were an exception and attracted a steady stream of buying orders, amid speculation of an alluvial diamond discovery, to close a further 4 higher at a year's best of 92p.

The expiry of the June series ensured another lively day in Traded Options. Total contracts transacted amounted to 11,484 with almost 2,000 struck in the FT-SE 100 index option contract. Another active and evenly-balanced turnover in **British Telecom** resulted in 1,832 calls and 817 puts done, while **Jaguar** returned to favour with 764 calls done, 443 in the September 280s. **Hanson Trust** also attracted a fair measure of operator's interest and recorded 639 calls and 544 puts, the expiring June 182's accounting for 508 and 378 trades respectively. Today sees the introduction of Traded Option contracts in Glaxo on the March/June/September/December cycle.

FINANCIAL TIMES STOCK INDICES

	June 26	June 25	June 24	June 21	June 20	June 19	year ago
Government Secs.	81.81	81.77	81.92	81.96	81.94	82.17	78.45
Fixed Interest	86.37	86.36	86.58	86.72	86.49	86.45	82.59
Ordinary	936.5	952.1	965.2	963.2	974.1	982.9	816.2
Gold Mines	439.0	445.5	440.2	440.0	452.8	452.3	641.8
Ord. Div. Yield	4.93	4.86	4.80	4.81	4.75	4.72	4.86
Earnings, Yld.% (full)	12.36	12.17	12.03	12.06	11.81	11.80	11.28
P/E Ratio (net) (*)	9.88	10.04	10.15	10.13	10.23	10.34	10.56
Total bargains (Est.)	21,762	21,706	22,196	26,594	26,168	21,597	18,468
Equity turnover £m.	—	365.18	242.32	339.54	463.64	299.09	909.00
Equity bargains	—	20,825	20,401	24,229	27,622	16,065	12,364
Shares traded (mil).	—	202.0	140.6	177.5	230.1	161.1	162.2

10 am 945.6. 11 am 937.8. Noon 939.5. 1 pm 938.3.
2 pm 939.7. 3 pm 939.3.

Basis 100 Govt. Secs. 15/2/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 9.56.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.17 (18/6)	78.06 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.79 (21/6)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.0 (22/1)	826.7 (3/1)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	421.3 (10/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	June 25	June 24
Daily Gilt Edged Bargains	133.6	116.0
Equities Bargains	135.4	132.2
Value	778.5	489.9
5 day Average Gilt Edged Bargains	129.0	136.6
Equities Bargains	142.4	139.1
Value	625.2	657.6

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Allied-Lyons	221	+ 6
Bass	527	−15
Burton	446	−12
Cable & Wireless	500	−15
Debenhams	361	−20
Ferranti	112	− 4
Pearson	328	−12
Pentland Inds	935	−15
Prudential	657	− 6
Read Intnl	590	+ 5
Thorn EMI	375	−42
United Scientific	178	− 2

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Racal Elects	34	156	−36
Pentland Inds	21	950	−75
Royal Insnce	16	655	−11
Cable and Wire	15	515	−20
Prudential	15	663	—
STC	15	132	− 4
Trafalgar House	15	330	−13
BTR	14	333	−10
British Telecom	14	171	− 4
ICI	14	737	+ 2
Abbey Life	13	224	− 2
Maylar Ind	13	127	−12
Allied-Lyons	12	215	+ 6
BAT Inds	12	313	− 4

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	33	28	47
Corpns. Dom. and Foreign Bonds	2	6	89
Industrials	109	646	703
Financial and Props.	67	219	267
Oils	12	46	68
Plantations	—	12	6
Mines	11	65	89
Others	46	96	95
Totals	280	1,122	1,355

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed June 26 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tues June 25 Index No.	Mon June 24 Index No.	Fri June 21 Index No.	Year ago (approx.) Index No.
[illegible]										

FIXED INTEREST

PRICE INDICES	Wed June 26	Day's change %	Tues June 25	xd adj. today	xd adj. 1985 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Wed June 26	Tues June 25	Year ago (approx.)
[illegible]			

BRITISH GOVERNMENT INDEX-LINKED STOCKS

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$300	0	24	—	—	—	—	$317.40
GOLD C	$340	0	0	9	11.50	—	—	"
GOLD C	$360	—	—	12	0	—	—	"
GOLD P	$300	—	—	10	7	—	—	"
GOLD P	$360	0	10	—	—	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 11,757

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing Price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing Price £	+ or −
[illegible]							

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+ or −
[illegible]							
570	Nil	—	60pm	12pm	Taylor Woodrow	15pm	.....
10	F.P.	12/7	40½	27	"The Times" Veneer	32	+1
150	F.P.	12/7	211	178	Tomkins (F.H.) 5p	189	−1
600	Nil	—	90pm	45pm	Union Discount £1	45pm	.....
2	F.P.	99.7	5½	9¼	Willaire Systems	6¼	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully paid. ‖‖ Introduction. ✢ Unlisted Securities Market. § Placing price. ‡‡ Dealt in under Rule 535 (3).

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (15)

BREWERS (1)
Allied-Lyons
BUILDINGS (2)
French Kier Sindall (Wm.)
ELECTRICALS (1)
Wholesale Fittings
ENGINEERING (1)
Robinson (Thos.)
FOODS (1)
Iceland Frozen
HOTELS (1)
Garfunkels Rests.
INDUSTRIALS (2)
Brook Street Bureau Renwick
INSURANCE (2)
Combined Intl. Taisho Marine
TRUSTS (1)
Derby Trust Cap.
MINES (3)
Falcon Mines Rand London Corp.
Gem Expln. & Mnrls.

NEW LOWS (181)

CANADIANS (1)
BANKS (1)
BREWERS (2)
BUILDINGS (5)
CHEMICALS (5)
STORES (8)
ELECTRICALS (48)
ENGINEERING (5)
FOODS (4)
HOTELS (2)
INDUSTRIALS (26)
INSURANCE (3)
LEISURE (1)
MOTORS (2)
PAPER (1)
PROPERTY (7)
SHIPPING (1)
TEXTILES (2)
TOBACCOS (1)
TRUSTS (32)
OILS (13)
PLANTATIONS (3)
MINES (8)

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 24	July 5	Sept 26	Oct 7
July 8	July 19	Oct 10	Oct 21
July 22	Aug 2	Oct 24	Nov 4

For rate indications see end of Share Information Service

Money was given for the call of Coats Patons, Combined Technologies, Racal, Wellman, Ferranti, Plessey, STC, Fobel International, GEC and Falcon Resources. A put was struck in Thorn EMI, but no doubles were reported.

LONDON TRADED OPTIONS

Option		Calls Jly.	Calls Oct.	Calls Jan.	Puts Jly.	Puts Oct.	Puts Jan.
B.P. (*526)	460	79	87	—	3	7	—
	500	66	59	67	6	17	25
	560	10	24	37	30	57	42
[illegible]							

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Lonrho (*168)	140	34	—	—	1½	—	—
	160	15	21	24	4	5½	6½
	180	4	2	14	14	17	12
[illegible]							

June 26 Total contracts 11,484 Calls 6,331 Puts 5,153
* Underlying security price

WORLD STOCK MARKETS

AUSTRIA

June 26	Price Sch%	+ or —
Creditanstalt	381	+5
Goesser	034	—4
Interunfall	1,780	+20
Laenderbank	370	......
Perlmooser	626	......
Steyr-Daimler	170	—1
Veitscher Mag	580	—15

BELGIUM/LUXEMBOURG

June 26	Price Frs.	+ or —
B.B.L.	2,000	—30
Banq. Gen Lux	—	......
Banq. Int. A. Lux	0,020	......
Bekaert B.	6,000	+70
Cimect CBR	2,546	......
Cockerill	291	......
Delhaize	8,500	—50
EBES	2,970	—30
Electrobel	6,400	—40
Fabrique Nat	9,000	......
GB Inno BM	4,705	+90
GBL (Brux)	1,880	—20
Gevaert	3,000	+50
Hoboken	6,610	+10
Intercom	2,125	......
Kredietbank	9,090	+10
Pan Hldgs.	10,800	—200
Petrofina	6,670	—80
Royale Belge	12,600	+100
Soc. Gen. Banq.	3,380	—85
Soc. Gen. Belge	1,840	+25
Sofina	7,130	—30
Solvay	4,550	—10
Stanwick Intl.	1,600	......
Traction el	3,793	......
UCB	6,240	—50
Wagon Lits	6,460	—40

DENMARK

June 26	Price Knr %	+ or —
Andelsbanken	526	+18
Baltic Skand	070	......
CopHandelsbank	319	+11
D. Sukkerfab	485	......
Danske Bank	536	+11
De Danske Luft	1,100	......
East Asiatic	218	+1
Forenede Brygg.	215	—20
Forenede Damp.	147	......
GNT Hldg	320	......
I.S.S.B.	443	—1
Jyske Bank	705	+26
Novo Ind	1,670	+3
Privatbanken	300	+11
Provinsbanken	357	+10
Smidth (F)	249	+5
Sophus Berend	1,065	+16
Superfos	432	+4

FRANCE

June 26	Price Frs.	+ or —
Emprunt 4½% 1975	1,606	—9
Emprunt 7% 1974	8,201	—48
Accor	282	—1.6
Air Liquid	712	......
BIC	541	—14
Bongrain	1,990	+40
Bouygues	814	—18
BSN Gervais	2,615	+5
CIT-Alcatel	1,300	......
Carrefour	2,192	+4
Club Mediter'n	529	+1
Cie Bancaire	633	......
Cofimeg	298	+8
Damart	1,920	......
Darty	1,533	—40
Dumez S.A.	669	—11
Eaux (Cie Gen)	686	—15
Elf Aquitane	214	—7
Essilor	2,520	—10
Gen. Occidentale	747	+50
Imetal	105	—2.9
Lafarge Coppee	554	—4
L'Oreal	2,510	+35
Legrand	2,289	—11
Maisons Phenix	938.5	+5.5
Matra S.A.	1,846	—14
Michelin B.	1,210	—10
Midi (Cie)	8,830	+136
Moet-Hennessy	1,995	+15
Moulinex	22.3	—0.3
Nord Est.	89.5	+0.5
Pernod Ricard	756	—14
Perrier	539	—6
Petroles Fra.	266	—1.9
Peugeot S.A.	415	—1
Printempt Aus	287	—6
Radiotech	325	—5
Redoute	1,415	—10
Roussel Uclaf	1,703	+96
Sefimeg	379	+4
Skis Rossignol	1,580	—10
Telemech Elect.	2,700	—35
Thomson CSF	530	+1
Valeo	229.5	+1

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended, xd Ex dividend, xc Ex scrip issue, xr Ex rights, xa Ex all.

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

Rembrandt	40	+1.9
Rust Plat	15.85	—0.15
Safren	16.25	—0.25
Sage Hldgs	10.25	......
SA Brews	9.16	......
Smith (AG)	97	......
Tongaat Hulet	7.3	......
Unisec	5.9	+0.1

Indices

NEW YORK-DOW JONES

	June 26	June 25	June 24	June 21
Industrials	1,323.25*	1,323.03	1,320.56*	1,324.48

	June 26	June 25	June 24	June 21	1985 High	1985 Low
AUSTRALIA All Ord. (1/1/80)	862.8	860.6	857.2	853.7	904.5 (20/5)	715.5 (7/1)
Metals & Mins. (1/1/80)	508.6	512.4	510.4	507.4	585.8 (20/5)	382.5 (7/1)
AUSTRIA Credit Aktien (2/1/62)	102.28	102.37	102.54	104.56	105.76 (17/6)	85.21 24/1
BELGIUM Brussels SE (1/1/80)	2314.57	2318.13	2327.45	2332.95	2384.12 (5/6)	2090.7 (10/1)
DENMARK Copenhagen SE (3/1/83)	(U)	184.97	185.60	193.54	184.97 (25/6)	158.44 (8/1)
FRANCE CAC General (31/12/82)	226.4	228.0	226.2	225.0	255.1 (41/6)	180.6 (3/1)
Ind Tendance (28/12/84)	128.5	128.8	128.5	127.8	130.4 (31/5)	100.1 (3/1)
GERMANY FAZ Aktien (31/12/58)	478.64	484.21	484.61	483.48	484.21 (25/6)	382.83 (3/1)
Commerzbank (1/12/53)	1572.9	1435.2	1429.0	1427.1	1433.2 (25/6)	1111.8 (8/1)
HONG KONG Hang Seng Bank (31/7/64)	1565.19	1576.15	(c)	1601.16	1647.98 (17/5)	1220.74 (2/1)
ITALY Banca Comm Ital. (1972)	557.46	558.24	556.76	535.66	557.46 (26/6)	229.56 (2/1)
JAPAN** Nikkei-Dow (16/5/49)	12910.5	12857.6	12765.9	12634.7	12916.6 (26/6)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1028.58	1020.56	1017.21	1010.64	1028.39 (26/6)	916.95 (4/1)
NETHERLANDS ANP-CBS General (1970)	210.4	211.0	210.5	209.5	218.5 (7/6)	185.5 (3/1)
ANP-CBS Indust (1970)	174.9	174.5	174.4	174.9	178.8 (11/6)	147.9 (3/1)
NORWAY Oslo SE (4/1/83)	322.51	325.75	326.27	324.24	345.97 (3/6)	288.18 (2/1)
SINGAPORE Straits Times (1966)	784.27	783.47	792.44	784.58	852.06 (7/6)	784.38 (18/1)
SOUTH AFRICA JSE Gold (28/9/78)	—	1057.0	1014.5	1000.3	1140.2 (18/4)	858.1 (11/2)
JSE Indust (28/9/78)	—	978.6	977.6	377.7	678.6 (25/6)	767.1 7/3
SPAIN Madrid SE (28/12/84)	104.99	105.09	106.30	105.61	117.41 (4/2)	101.48 (2/1)
SWEDEN Jacobson & P (1/1/58)	1515.42	1511.79	1514.77	(e)	1486.99 (11/2)	1511.78 (25/6)
SWITZERLAND Swiss Bank Cpn. (31/12/58)	445.5	441.9	440.5	457.6	445.3 (26/6)	388.7 (3/1)
WORLD Capital Intl. (1/1/70)	—	213.3	213.1	212.7	214.6 (7/6)	194.8 (4/1)

** Saturday June 22: Japan Nikkei-Dow 12,729.6. TSE 1,016.03.

Base value of all indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

STANDARD AND POORS

N.Y.S.E. ALL COMMON

NEW YORK ACTIVE STOCKS

TORONTO

CANADA

We regret latest Canadian prices were not available for this edition due to a communication failure.

TORONTO

Closing prices June 25

MONTREAL

Closing prices June 25

5200	Cascades	$14	13⅞	13¾	
3150	Domt'cIA	$11½	11½	11½	+⅜
8165	Gaz Metro	$11½	11¼	11⅜	—⅛
450	MntTrst	315	15	16	—¼
62251	NatBk Cda	$20¾	20¼	20½	+⅜
4800	Power Corp	310	17⅞	17⅞	+⅛
5329	Royal Bank	$30⅜	30¼	30⅜	+¼
3868	RoyTrsco	$21	21¼	21¼	+¼
1758	SteinbrgA	$40	39½	39½	—½

Total Sales 1,590,021 shares

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 43

Stock		Sales (Hnds)	High	Low	Last	Chng
Vodavl		134	11⅛	10⅞	10⅞	—⅛
Voltinf		395	15	14½	15	+¼
W W						
WD 40	.96	123	20	18¾	19⅞	
WalbCa	.24	31	14¼	13½	14¼	
WlkrTel		57	7⅛	6⅞	7⅛	
WshE	1.78	134	22⅛	22⅛	22⅜	+⅛
Sumitd	.09e	061	12⅝	12⅜	12½	
SunCst		154	1 7-16	1 5-16	1 5-16	
SunMed		2	8¾	8¾	8¾	—¼
ViedeFr	.22e	203	10⅜	9½	10⅜	+1
Viking		25	12¼	12¼	12¼	+½
Viratek		38	19½	18	19½	+¼
Zondvn	.08j	18	10¼	10	10¼	+⅛
Zymos		172	2⅞	2⅝	2¾	—1-16
vjZytrx		120	7-16	9-32	9-32	—5-32

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

All-Lyons	221	+ 6
Birm Mint	240	+ 5
Maynards	335	+20
Murray Gwth. Tst.	98	+ 9
Westland	83	+10

FALLS

Appledore (A&P)	280	—35
Applied Comp	120	—25
BPB Inds.	212	—18
Bass	527	—15
Beecham	320	— 8
Blue Circle	500	—10
Boots	179	—10
Burton	446	—12
Cable & Wire	500	—15
Comb Eng St	128	— 8
Countryside Pr.	222	—12
Debenhams	361	—20
Ferranti	112	— 4
Firstland O & G	175	—20
P & O Defd	342	—13
Racal Elects.	148	— 8
Sumrie Clothes	30	—14
Thorn EMI	375	—42
Vickers	258	—12
Vosper	223	—34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16	AAR	.48	2.9	14	492	16⅝	16⅜	16⅝	+¼
18¼	9⅝	AGS			12	28	14⅜	14	14¼	+¼
16½	8⅝	AMCA				19	10¾	10⅝	10¾	−⅛
21½	13¾	AMF	.50	2.7	56	1558	18½	18¼	18⅜	+⅛
40⅛	24¼	AMR			11	5178	46⅝	44⅝	45⅞	+⅛
22⅞	16⅝	AMR pf2.18		9.9		9	22¼	22⅛	22⅛	
25⅞	22½	ANR pf 2.67		11.		2	23⅛	23½	23½	−½
14¼	7⅞	APL				24	8⅛	7⅞	7⅞	−⅜
81⅛	44⅝	ASA		24.0		223	55½	49⅞	49⅞	−⅜
27	12½	AVX	.32	2.3	11	521	14	13⅝	14	+⅜
27⅝	19	AZP	2.72	9.8	6	1660	u27¾	27⅝	27¾	+¼
68⅝	36¾	AbtLab 1.40		2.4	17	2030	55	57⅜	57⅜	−¼
25⅞	16	AccoWd .50		2.2	17	325	22½	21⅞	22⅜	−⅛
24¾	12½	AcmeC .40		2.6		15	15½	15¼	15½	+½
10½	7⅜	AcmeE .32b		4.1	10	4	7⅞	7⅞	7⅞	
17½	15	AdaEx 1.92e		11.		95	17⅜	17⅞	17⅞	−⅜
20	11⅞	AdmMl .32		1.9	7	8	16¾	16⅝	16¾	
18½	8⅝	AdvSys .53t		4.8	17	55	11¼	10¾	11	−⅛
41⅛	22⅞	AMD			11	2409	26⅛	25⅝	25⅞	+⅛
12¾	6⅞	Advest .12		1.4		55	8⅝	8⅜	8½	−⅛
14⅝	9	Aerflex			12	283	13⅛	13⅜	13⅞	+½
47	27¼	AetnLf 2.64		5.9	34	2979	46½	46⅜	46¾	+½
57⅜	52⅜	AetL pf5.79e		10		71	55¾	55¼	55¼	−½
37⅝	17⅞	Ahmns 1.20		3.6	14	209	35	34⅜	34¾	
3⅝	2½	Aileen				45	3	3	3	
54¾	38⅜	AirPrd 1.20		2.2	12	719	54⅝	34¼	54½	+⅛
24⅜	13	AirbFrt .60		3.0	11	330	20¼	19⅝	20	

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Continued on Page 43

NYSE COMPOSITE CLOSING PRICES

Continued from Page 42

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
13	7⅜	Rowan .13		1.5	43	466	8⅝	8⅝	9¼	−⅛
60⅜	41¼	RoylD 2.07e		5.4		2026	57⅝	57⅛	57¼	+¼
17	9	Roylnt s			17	309	13¾	13½	13¾	−⅛
51¾	35⅛	Rubrmd.56		1.9	18	196	51¾	50½	51¾	+1¼
26	14¾	RussBr			14	317	21⅝	21⅛	31⅝	+¼
19⅜	15⅝	RusTog .78		4.1	9	5	18⅝	18⅝	18⅝	+¼
28½	19⅜	RyanH	1	3.7	15	284	07⅝	27⅛	07⅜	−⅜
28½	19⅝	Ryder s .60		2.2	10	437	27⅞	27¼	27⅝	
26¾	12½	Ryland .66		2.7	17	144	24⅝	24	24⅜	+⅝
17⅞	8½	Rymer			5	195	u18	17½	17½	−⅜
13	11½	Rymer pf1.17		0.1		178	12⅞	12⅝	12⅞	
		S S S								
50⅜	32⅛	SCM		2.4	3.13	77	48¼	46⅞	48⅛	−⅛
12½	0⅞	SL Ind		221	9.10	13	11⅞	11¾	11¾	

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
91⅞	25½	TolEd pf4.28		13.		24	u32	31⅝	32	+⅝
18⅞	14	TolEd pf2.36		13.		18	18⅞	18½	18⅛	+⅝
18¼	13⅝	TolEd pf2.21		12.		9	17⅜	17½	17⅜	+⅜
45¾	13⅜	Tonka s .20		.5	7	126	40⅝	39⅝	40	+⅜
53¾	21⅛	TootRol.48b		1.0	14	10	48⅝	47⅞	48⅝	+¾
52⅞	20⅞	Trchmk 1		2.1	13	47	48⅞	46¼	48⅞	+⅝
108¾	92⅜	Trch pf11.09e		10.		63	109½	109½	109½	
17⅛	10	ToroCo .40		2.8	0	63	14¾	14½	14⅛	−⅜
0	1	Tosco				459	2⅞	2¾	2⅞	
10¼	8¼	Towle				165	0	8⅞	8⅞	
40⅜	25¼	ToyRU s			36	2485	u40½	39½	40¼	+⅝
28¾	17½	Tracr s .32		1.5		479	22½	21¾	22	−½
20¾	9⅛	TWA			77	3010	10⅝	19⅜	19⅜	−⅛

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High
18	10⅝	WyleLb .32		2.9	13	348	11⅛
23⅜	15½	Wynns .26		3.8	8	357	18
		X Y Z					
52⅛	33¼	Xerox 3		5.8	22	2463	u52½
34½	45¾	Xerox pf5.45		19		175	34
58¼	24	ZaleCp 1.32		4.8	9	5	27¼
21½	9⅜	Zapata .84		8.4	20	594	10⅛
56⅝	25	Zayre s .40		.9	18	347	56
30	18⅝	ZenithE			8	1339	20⅝
21⅛	15⅝	Zero s .32		1.8	15	19	18⅝
35¼	22	Zurnin 1.32		3.9	12	10	34⅜

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued on Page 41

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Optimism engendered by auction

U.S. FEDERAL bonds staged a rally yesterday as traders became more optimistic after the satisfactory conclusion of the first of this week's Treasury auctions, *writes Terry Byland in New York.*

The upturn ended five consecutive sessions of falling prices.

The stock market edged ahead after a dull start with major investors discouraged by the breakdown in the Senate negotiations on the federal budget.

Wall Street regards agreement on the proposals to cut the federal deficit as essential if interest rates are to be reduced this year. However, the sharp jump in May durable goods orders announced on Tuesday continued to inject confidence.

At the close the Dow Jones industrial average was up 0.78 at 1,323.81.

IBM's expansion into the telecommunications market through the acquisition of a stake in MCI Communications reverberated through the communications sector. AT&T dipped a further $½ to $23 in heavy trading on the announcement of this serious threat to its market.

With Wall Street impressed again by IBM's capacity for aggressive expansion, its stock jumped $1⅛ to $123½. MCI continued to advance, gaining a further $1⅛ to $10⅝ on the Nasdaq market.

Other computer issues held steady, despite further had news from the industry. Intel, in which IBM has a stake, gained $1 to $25½ after laying off part of the workforce.

Oil stocks continued to rally from the weakness of the past few months. Exxon gained $⅜ to $53⅞ while Atlantic Richfield added another $⅞ to 59¾ in brisk trading as Wall Street continued to take a positive view of retirement of the chief executive.

The 7 per cent fall in sales of U.S. manufactured cars kept the Detroit auto stocks subdued. General Motors, which suffered the brunt of the fall, steadied $⅛ to $71½, but Chrysler at $35⅞ was $⅛ off and Ford eased $⅛ to $44⅞.

The rest of the industrial stock market edged ahead. General Dynamics $⅝ off at $74⅜ was the sole weak spot in defence and aerospace issues. Chemicals held firm, except for Du Pont, $⅝ down at $58⅞.

Bid enthusiasm swept through the airline stocks. The favoured targets were Northwest Air, which bounded $5⅛ to $54¾ in heavy trading, and Delta Air, $1½ higher at $48½.

Potential bidders were harder to identify, but a sudden dip in American Airlines of $⅞ to $45 reflected market sentiment that AMR might be gearing up to match United's strong role in the domestic market. Suggestions that Mr Carl Icahn might be involved seemed unlikely, since his 32 per cent stake in TWA rules him out of another airline acquisition on regulatory grounds.

Baxter Travenol's move to line up $2.5bn bank credit suggested that it might fight to acquire American Hospital Supply, which edged up $⅛ to $27⅝ on the news. Hospital Corporation of America, which already has an agreement to merge with AHC, added $⅜ to $48⅝, while Baxter Travenol slipped $⅛ to $15½ as Wall Street awaited the next move.

In food stocks, General Foods dipped $2⅛ to $80 as bid hopes waned. Other recent speculative favourites to weaken included Quaker Oats, $⅛ off at $51⅛. Kellogg, however, found buyers again and added $⅛ to $58⅝.

Bank shares appeared little affected by an important directive on Argentine loans by the Federal regulators, which could affect future earnings. Manufacturers Hanover, which tops the list of U.S. lenders with $13bn in Argentine loans, was $⅛ firmer at $39½. BankAmerica at $18⅝ also gained $⅛. Other bank stocks held steady, except for Bankers Trust which dipped $1⅛ to $67⅞.

In the credit markets, Federal funds dipped to 7⅝ per cent, and other short-term and money market rates were lower, with hopes of a cut in the discount rate unlikely in the immediate future. Federal funds are expected to remain in the 7¼ per cent to 7½ per cent range.

The bond market, cheered by the reception for the first leg of the Treasury funding operation, waited calmly for the results from yesterday's sale of $6bn in Treasury seven-year securities, to be followed today by the auction of $4.5bn in 20 year bonds. Bond prices were firmer in moderate trading.

TOKYO

High hit on increased turnover

A NEW PEAK was reached during trading in Tokyo yesterday as buying by private investors continued to expand, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average jumped 73.27 to close at 12,910.29, its second consecutive record. Volume rose sharply to 646m shares from Tuesday's 363m. Rises outnumbered declines 436 to 376, with 135 issues unchanged.

The most active stock was Keisei Electric Railway, the largest stockholder of Tokyo Disneyland. It advanced Y8 to Y473 on trading of 32.01m shares. Investors were encouraged by the listing on the Tokyo stock exchange of Walt Disney Productions, with which Tokyo Disneyland is connected. But unprofitable property owned by Keisei is said to be hampering the reconstruction of the railway company.

Tokyo Tatemono rose from Tuesday's Y860 to Y877, reflecting optimism about its property holdings, although it lost its rights to 10 per cent free distribution of shares.

Nomura Securities soared Y70 to Y1,320 on the day's second heaviest volume of 20.58m shares. This prompted investors to buy other major brokerage houses and non-life insurances. Yasuda Fire and Marine advanced Y10 to Y609, and Taisho Marine and Fire Y22 to Y597. Daiwa Securities gained Y22 to Y932, while Nikko Securities closed Y21 higher at Y809. Yamaichi Securities added Y27 to Y814.

Apart from these financial issues, stocks most in demand were lower-grade foodstuffs, expanding biotechnology businesses, and assets-heavy issues. A leading broker said buying was speculative, designed to obtain quick profits.

Among biotechnologies, Taiyo Fishery was the third busiest with 18.36m shares traded, as it added Y5 to Y314. Meiji Milk Products placed fifth, finishing Y19 higher at Y496. Teijin and Snow Brand ranked sixth and 10th, respectively, but closed unchanged at Y491 and Y570.

However, leading biotechnologies eased. Asahi Chemical Industry lost Y30 to Y955, Toyojozo Y90 to Y1,560 and Sankyo Co Y50 to Y1,230. Mochida Pharmaceutical plunged Y480 to Y9,620.

Despite slow trading, blue chips gained ground. Hoya shot up Y200 to Y2,000, while Asahi Glass gained Y15 to Y881. Sony went up Y40 to Y4,090 and Hitachi closed Y6 up at Y741.

Bond prices gained slightly in lacklustre trading, despite adverse factors such as a decline in U.S. bond prices and the yen's drop in Tokyo. The yield on the benchmark 7.3 per cent government bonds maturing in December 1993 dipped to 6.450 per cent from Tuesday's 6.460 per cent.

CANADA

FURTHER consolidation in Toronto spread to most sectors although resource issues managed to resist some of the downturn.

Genstar was actively traded C$⅛ higher to C$31⅝ and Dome Petroleum rose 12 cents to C$2.97 after announcing the sale of some assets to Suncor and Computalog in the past two days. Domtar, however, dipped C$⅛ to C$18.

Financials were also active with Canadian Imperial Bank of Commerce C$⅛ off at C$36 while Royal Bank dipped C$¼ to C$30⅛ and Toronto Dominion lost C$¼ to C$23⅛.

Utilities and industrials gained ground in Montreal as banks eased.

SOUTH AFRICA

FEATURELESS trading in Johannesburg left most share sectors narrowly mixed as investors waited for signs of a positive market trend.

In the golds, Driefontein picked up 50 cents to R49.50 while Free State Geduld finished unchanged at R51. Buffels encountered some steady selling and closed 50 cents off at R73.50.

Among mining financials, Anglo American eased 10 cents to R28.90 and Gencor firmed 25 cents to R30.

LONDON

CONTINUED PRESSURE on London electronic and kindred stocks demoralised the equity market again yesterday and the FT Ordinary index dropped 15.6 to 936.5. The index has lost nearly 84 points in the last three weeks.

Racal, which triggered Tuesday's fall, weakened a further 8p to 148p as market interest switched to Thorn EMI, 42p down to 375p.

In particularly active stores, Debenhams fell 20p to 175p, Burton, fresh from an acquisition, dipped 12p to 446p and Boots lost 10p to 179p.

Elsewhere, Westland picked up 10p to 83p after the troubled helicopter group requested a financial review of its operations.

Gilt investors were moderately impressed by a firmer sterling but lack of follow-through buying prompted an easier trend. Shorts closed generally better and longs turned cheaper in spots. Index-linked issues improved marginally.

Share information service, Pages 38–39; Details, Page 40; Chief price changes, Page 41.

AUSTRALIA

FIRMER international bullion prices aided gold miners in Sydney but base metal issues eased in a moderately active session that produced a 1.2 rise to 862.0 in the All-Ordinaries index. Institutional book squaring ahead of the end to the financial year also helped sentiment.

Poseidon traded 5 cents higher to A$3.40 although Bougainville eased 2 cents to A$2.

In banks, Westpac held steady at A$4, ANZ dipped 4 cents to A$4.44 and National Australia picked up 1 cent to A$4.19.

A mixed media sector saw News Corporation retreat 10 cents to A$6.60 and the Herald & Weekly Times remain pegged at A$4.23.

SINGAPORE

THE BROAD decline in Singapore trimmed 9.20 points off the Straits Times industrial index to 784.27 as profit-takers emerged to take the upper hand.

Pan Electric led the active list again easing a further 15 cents to S$11.30 while Cerebos, also active, dipped 5 cents to S$2.07. A 5-cent fall for Genting took it to S$5.95

In financials, Malayan Banking and Hong Leong Credit shed 15 cents each to S$5.65 and S$5.20 respectively while OUB at S$3 and UOB at S$4 limited their losses to 6 cents each.

EUROPE

Frankfurt falls to nervousness

A STRONG technical reaction took hold in Frankfurt yesterday, sending prices of a broad range of stocks tumbling from record levels.

The hectic selling was founded in nervousness about the market's short-term prospects and created its own momentum as profit-takers moved in to pick up their advantage accrued during the past two months. Led by sharp falls among blue chips, the Commerzbank index slumped 60.30 to 1,372.90, effectively erasing most of the improvement registered this month.

Resilience developed during late business; however, this failed to instill confidence that the market would quickly shake off the caution and return to its strong upward course.

Insurer Allianz was high on the sellers' lists and opened DM 70 lower at DM 1,455 before recovering to end down DM 50. The construction group Holzmann was also singled out in reaction to its recent strength and shed DM 82 to DM 405.

Foreign selling was strongest among bank issues. Deutsche Bank dropped DM 10.80 to DM 587 after hitting a low for the day of DM 585.50 while Commerzbank fell DM 3.50 to DM 196 and Dresdner DM 1 to DM 229.

Daimler-Benz closed at its low for the day with a DM 21 fall to DM 829 and Porsche eased DM 17 to DM 1,458.

Losses among chemicals were relatively light. BASF eased DM 2.10 to DM 224.60 while Bayer ended DM 2.80 lower at DM 233. Electricals felt the full weight of the profit-taking. Siemens shed DM 10.50 to DM 567 and AEG DM 4 to DM 137.

Bond trading gathered pace and price falls were widespread. The Bundesbank bought DM 41.3m worth of paper, compared with DM 17.6 on Tuesday.

Zurich drew inspiration from Wall Street's overnight performance and pushed prices higher in active trading. The Swiss Bank industrial index reached a new high for the year with a 1.4 increase to 443.3.

The banking sector was again solidly supported. Among the leading gainers, Union Bank added SwFr 55 to SwFr 4,115, Crédit Suisse SwFr 30 to SwFr 2,860 and Swiss Bank SwFr 5 to SwFr 436. Bank Leu which has been edging forward for several sessions moved against the trend with a SwFr 15 fall to SwFr 3,875.

Jacobs-Suchard attracted speculative interest, particularly from West Germany and jumped SwFr 165 to SwFr 6,325. Leading the transport sector, Swissair firmed SwFr 30 to SwFr 1,290 while in engineerings stocks Schindler was up SwFr 150 to SwFr 4,625.

Consolidation of recent advances continued to take place in **Paris** as prices drifted higher.

The pharmaceutical group Roussel-Uclaf stood out with a FFr 98 rise to FFr 1,703 while Générale Occidentale also featured with a FFr 33 increase to FFr 747.

Michelin eased in response to several advances, falling FFr 10 to FFr 1,210 as Peugeot eased FFr 1 to FFr 415.

Amsterdam was mixed to lower with several stocks extending their opening losses in dull trading.

Among market leaders, Royal Dutch fell 90 cents to Fl 196.40 and Philips and Unilever each closed 50 cents down et Fl 52.50 and Fl 350 respectively.

A weak downturn developed in **Brussels**. Petrofina, the centre of interest amid further concern about the world oil market, eased a further BFr 80 to BFr 5,670.

Retailers showed lower trends. Delhaize lost BFr 80 to close at BFr 8,500 and GB-Inno-BM fell BFr 10 to BFr 3,715.

Trading remained thin in **Stockholm** with concern about domestic interest rates again slowing activity. However, the Veckans Affarer index managed to bounce back from its low for the year with a 0.7 rise to 451.5.

Milan moved higher in active trading, although late, mild selling took prices off their peaks.

Madrid eased, led by marginal falls among banking issues.

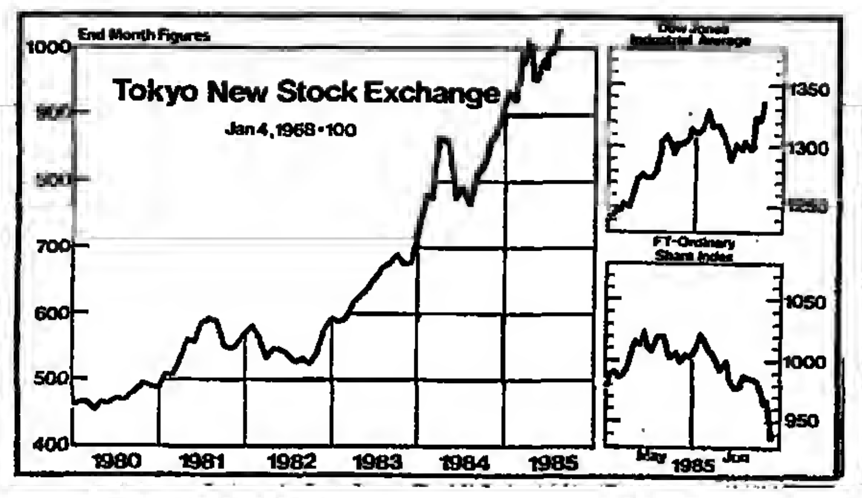
HONG KONG

THE TONE turned weaker in Hong Kong yesterday as traders took profits after four straight sessions of gains.

Utilities were actively traded. Hongkong Electric gained 5 cents to HK$8.35, but both China Light and Hongkong Gas eased 10 cents each to HK$15.80 and HK$10.70 respectively.

Property issues fell to profit-taking after scoring fairly strong gains during the market's recent advances. Cheung Kong lost 10 cents to HK$16.10, Hongkong and Kowloon Wharf shed 5 cents to HK$6.05 and Hongkong Land was off 10 cents at HK$5.65.

KEY MARKET MONITORS



STOCK MARKET INDICES

	June 26	Previous	Year ago
NEW YORK			
DJ Industrials	1,323.81	1,323.03	1,122.79
DJ Transport	656.25*	650.98	472.12
DJ Utilities	163.57*	164.50	124.37
S&P Composite	189.99*	189.74	152.71
LONDON			
FT Ord	936.5	952.1	816.2
FT-SE 100	1,236.5	1,248.3	1,033.1
FT-A All-share	598.14	604.08	486.01
FT-A 500	651.35	658.43	529.95
FT Gold mines	439.0	445.5	641.8
FT-A Long gilt	10.60	10.62	10.41
TOKYO			
Nikkei-Dow	12,910.29	12,765.93	10,245.1
Tokyo SE	1,028.30	1,017.20	783.79
AUSTRALIA			
All Ord.	862.0	860.8	656.3
Metals & Mins.	508.6	512.5	421.5
AUSTRIA			
Credit Aktien	102.29	102.37	53.96
BELGIUM			
Belgian SE	2,314.57	2,318.13	—
CANADA			
Toronto			
Metals & Minls	1,886.1*	1,889.3	1,902.0
Composite	2,705.1*	2,708.7	2,224.5
Montreal			
Portfolio	132.10*	132.26	108.83
DENMARK			
SE	196.76	194.97	181.38
FRANCE			
CAC Gen	228.4	229.0	170.3
Ind. Tendence	128.5	129.0	89.3
WEST GERMANY			
FAZ-Aktien	473.64	484.21	344.89
Commerzbank	1,372.9	1,433.2	994.3
HONG KONG			
Hang Seng	1,565.19	1,575.15	927.92
ITALY			
Banca Comm.	337.46	336.24	212.35
NETHERLANDS			
ANP-CBS Gen	210.4	211.0	154.0
ANP-CBS Ind	174.8	174.8	123.0
NORWAY			
Oslo SE	322.21	325.75	244.43
SINGAPORE			
Straits Times	784.27	793.47	900.34
SOUTH AFRICA			
Golds	—	1,007.0	961.4
Industrials	—	978.6	935.3
SPAIN			
Madrid SE	104.99	105.09	85.85
SWEDEN			
J & P	1,315.42	1,311.70	1,482.72
SWITZERLAND			
Swiss Bank Ind	443.3	441.9	357.8
WORLD	June 25	Prev	Year ago
Capital Int'l	213.3	213.1	174.5

GOLD (per ounce)

	June 26	Prev
London	$317.25	$316.50
Zürich	$317.25	$315.50
Paris (fixing)	$315.03	$315.30
Luxembourg	$315.75	$316.25
New York (Aug)	$317.50*	$318.30

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR June 26	U.S. DOLLAR Previous	STERLING June 26	STERLING Previous
$	–	–	1.2985	1.2855
DM	3.043	3.07	3.955	3.9425
Yen	248.4	248.95	322.75	319.5
FFr	9.2725	9.3525	12.05	12.0
SwFr	2.5325	2.57	3.295	3.3
Guilder	3.4345	3.46	4.46	4.4425
Lira	1,946.0	1,955.5	2,525.0	2,510.0
BFr	61.35	61.75	79.55	79.3
C$	1.364	1.3645	1.7664	1.7535

INTEREST RATES

	June 26	Prev
Euro-currencies (3-month offered rate)		
£	12½	12⁹⁄₁₆
SwFr	5½	5½
DM	5⅝	5⅝
FFr	10⅝	10½
FT London Interbank fixing (offered rate)		
3-month U.S.$	7¹⁵⁄₁₆	8
6-month U.S.$	8¼	8¼
U.S. Fed Funds	7⅝*	7⅞ₐ
U.S. 3-month CDs	7.55*	7.60
U.S. 3-month T-bills	6.99*	7.08

U.S BONDS

Treasury		June 26* Price	June 26* Yield	Prev Price	Prev Yield
8½	1987	99⁷⁄₃₂	8.936	99⁶⁄₃₂	8.97
11¾	1992	106⁵⁄₃₂	10.45	106⁸⁄₃₂	10.44
11¼	1995	104¹⁄₃₂	10.513	104¹⁶⁄₃₂	10.50
11¼	2015	105⁶⁄₃₂	10.66	105⁶⁄₃₂	10.67
Corporate		June 26* Price	Yield	Prev Price	Yield
AT & T					
10⅜	June 1990	101¼	10.05	101¼	10.05
3⅞	July 1990	79½	9.00	79⅝	9.00
8¾	May 2000	83⅛	11.10	83⅛	11.10
Xerox					
10⅞	March 1993	99⅞	10.70	99⅞	10.70
Diamond Shamrock					
10⅝	May 1993	99½	10.80	99½	10.80
Federated Dept Stores					
10⅝	May 2013	91.544	11.65	91.544	11.65
Abbot Lab					
11.80	Feb 2013	101.625	11.80	101.625	11.80
Alcoa					
12¼	Dec 2012	101.104	12.10	101.104	12.10

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	75–22	75–31	75–13	75–18
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	92.73	92.76	92.62	92.64
Certificates of Deposit (IMM) $1m points of 100%				
Sept	92.12	92.15	92.02	92.03
LONDON				
Three-month Eurodollar $1m points of 100%				
Sept	91.81	91.82	91.67	91.68
20-year National Gilt £50,000 32nds of 100%				
Sept	110–11	110–12	109–31	110–03

COMMODITIES

(London)	June 26	Prev
Silver (spot fixing)	475.35p	477.35p
Copper (cash)	£1,096.50	£1,099.50
Coffee (July)	£1,925.50	£1,937.00
Oil (spot Arabian light)	$27.15	$27.00